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Japan's Hata Speaks at EC Meeting in Brussels

Opposes Free Agriculture Trade

*AU0311210893 Paris AFP in English 2100 GMT
3 Nov 93*

[Text] Brussels, Nov 3 (AFP)—Japan is holding fast to its demand that it should not be forced to accept foreign agricultural imports, particularly rice, Japanese Agriculture Minister Eijiro Hata said here Wednesday. He was speaking after a meeting with EC Agriculture Commissioner Rene Steichen, during which EC officials said he sought support for Japan's bid for an exemption from GATT trade rules governing trade in farm products.

Hata said he had pressed the case for Japan to be given an exemption from a proposal that all non-tariff trade barriers be replaced by import tariffs which should then be gradually lowered in order to allow expanding imports. The proposal is one of the central elements of the seven-year Uruguay Round of trade talks under the General Agreement on Tariffs and Trade (GATT), which is facing a make-or-break deadline of December 15.

Hata said Japan could not take the political risk of dropping its ban on imports of rice and some other farm products, because of fierce domestic opposition. He added that Japan was asking for an exemption from the general Uruguay Round principles similar to a concession already negotiated by the United States and the EC in their "Blair House" accord to cut farm subsidies.

Hata said the "Blair House" pact, part of the Uruguay Round negotiations, allowed subsidy cuts for agriculture which were shallower than those demanded for other products. If the EC and the United States could gain such concessions in an area they considered of "vital national interest", then Japan should qualify for concessions on the crucial rice question, he said. But Steichen replied that Japanese acceptance of rice imports, subject to tariffs, was necessary for the success of the GATT negotiations.

His spokesman quoted him as saying that other countries would demand similar treatment if concessions were offered to Japan.

The two men also discussed Japanese barriers to other EC food exports, such as minimum prices for pork and high taxes on imported wines and spirits.

EC Urges Japan To Open Rice Market

*OW0411022693 Tokyo KYODO in English 0153 GMT
4 Nov 93*

[Text] Brussels, Nov. 3 KYODO—The European Community (EC) urged Japan on Wednesday [3 November]

to open its rice market by replacing a ban on rice imports with tariffs, Japanese officials said.

EC Agriculture Commissioner Rene Steichen made the call in a meeting with Japanese Agriculture Minister Eijiro Hata in which they discussed the long-stalled Uruguay Round multilateral trade talks under the General Agreement on Tariffs and Trade (GATT).

In the one-hour meeting, Hata told Steichen it is hard for Japan to accept the so-called tariffication proposal because of the domestic political situation, the officials said. Currently political discussions in Japan focus on political reforms, Hata was quoted as saying.

Hata also said such tariffication would seriously affect the nation's agriculture. Tariffication would mean replacing Japan's ban on rice imports with tariffs to be later gradually reduced.

Steichen replied that the EC nations have finally decided to accept comprehensive tariffication although they had long found it difficult to do so, the officials said.

The EC commissioner told Hata he should try to persuade the Japanese to accept the final tariffication proposal made by former GATT chief Arthur Dunkel, they said.

Hata said if favorable treatment is given to a revision of the Blair House accord on agricultural subsidies reached between the United States and the EC last November, GATT should also discuss exceptions to comprehensive tariffication, the officials said.

Earlier in the day, Hata met Belgium's farm minister Andre Bourgeois, who told Hata comprehensive tariffication is an important concept if GATT is to reach an agreement in the Uruguay Round talks.

Hata said in a press conference after the meeting with Steichen that the Japanese Government would consider other measures for the solution of the rice import issue, hinting Japan may revise its policy not to accept tariffication without exception.

Hata said that in his meetings with GATT Director General Peter Sutherland and EC negotiators he has found differences in the stances of the EC and Japan toward the Uruguay Round trade talks.

"Such GATT member countries have strong hopes to wrap up the round talks by accepting comprehensive tariffication," Hata said.

The farm minister also said he is prepared to have another meeting with Sutherland after coming home to discuss the issue with key cabinet members and agriculture-related officials.

Japan**EC Threatens To Set Numerical Trade Targets***OW0511144593 Tokyo KYODO in English 1433 GMT
5 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—A visiting European Community commissioner said Friday [5 November] that the EC may seek to introduce numerical targets for its bilateral trade with Japan unless the chronic gap in favor of Tokyo is corrected soon.

Karl Van Miert, in charge of antitrust policies, told a press conference that Brussels will seek to open new bilateral trade talks to set quantity targets for measuring how open the Japanese market is, unless the bilateral trade imbalance is substantially rectified within a few months. He said that the 12-nation trading bloc would be put at a disadvantage if Japan accepts a U.S. demand for market access targets at bilateral economic framework talks.

The EC will change its trade tactics if the Japanese market remains closed and the U.S. approach is proved effective, he said.

Government To Withhold Rice, Dairy Decision*OW0511143193 Tokyo KYODO in English 1413 GMT
5 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—Japan will make no proposals for tariff cuts on 25 items, including rice and dairy products, in a tariff-reduction table to be submitted to the General Agreement on Tariffs and Trade (GATT) on November 15, government sources said Friday [5 November]. Countries participating in the GATT-sponsored Uruguay Round of world trade talks are required to submit their respective tables for cutting tariffs by that date.

The sources said negotiations have not progressed enough to give figures for the 25 items. The blanks will be filled, except for rice, as negotiations advance, they said.

Japan is opposed to opening its rice market on grounds of food security. Rice is controlled by the government and imports are virtually banned.

A GATT proposal put forward by its former director general, Arthur Dunkel, called for nations importing farm products to replace import restrictions with tariffs. The sources said Japan, bowing to pressure from the United States and the European Community, is ready to accept tariffs on all farm imports, except rice.

Nikkeiren Head Urges Rice Market Opening*OW0511101693 Tokyo KYODO in English 0944 GMT
5 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—A business leader called on the government Friday [5 November] to liberalize

rice imports as a breakthrough in economic deregulation. Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren), told a news conference the foodstuff control law should be abolished to open the rice market.

Nagano also called for reorganization of agricultural cooperatives with memberships of more than 360,000 to streamline their operations. He made the remarks in connection with an interim report to be submitted to Prime Minister Morihiro Hosokawa next week by an advisory panel studying deregulation.

The report is expected to seek wide-ranging deregulation to pave the way for transformation of the economy into one led by domestic demand. Nagano said the restructuring of economic systems may create unemployment in a transition period but those losing work could benefit from newly created job opportunities.

Government Orders AWACS Aircraft From Boeing*OW0511033393 Tokyo KYODO in English 0119 GMT
5 Nov 93*

[Text] New York, Nov. 4 KYODO—Boeing defense and space group said Thursday [4 November] it has received contracts for two 767 airborne warning and control system (AWACS) aircraft for delivery to Japan. The combined value of the contracts is about 840 million dollars, it said.

Boeing said the reconnaissance planes were ordered by the Japanese Government under an agreement between Japan and the United States.

The foreign military sale contract, issued by the U.S. Air Force Electronic Systems Center, covers AWACS prime mission equipment such as the radar, communications and navigation systems, data displays and computers, it said.

Both 767 AWACS planes will be delivered to Japan in early 1998, Boeing said. Under the contract, Boeing will be in charge of equipment installation and flight testing as prime contractor.

AWACS planes are used for airborne surveillance and command, control and communications functions for tactical and air defense forces.

Bill Adopted on Aircraft Use To Rescue Citizens*OW0511033493 Tokyo KYODO in English 0235 GMT
5 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—The cabinet on Friday [5 November] adopted a bill empowering the government to dispatch overseas two passenger planes with military crews to rescue Japanese citizens in emergencies. The bill to amend the Self-Defense Forces (SDF)

Law would allow SDF soldiers to fly the government-owned planes on rescue missions in cases such as military conflicts and natural disasters, officials said.

The government of Prime Minister Morihiro Hosokawa amended the original bill that would have allowed the SDF to use any type of military aircraft for such missions because of the opposition of the Social Democratic Party (SDP) [of Japan] to the dispatch of combat planes overseas, they said.

The bill adopted Friday limits the type of planes to be used for rescue missions to two Boeing 747 jumbos usually used to carry imperial family members and government leaders on official overseas trips.

During the 1991 Persian Gulf crisis, Japan could not dispatch SDF aircraft to transport Japanese civilians held hostage by Iraqi President Saddam Husayn because the law did not allow such missions.

The SDP, the largest of the seven coalition government parties, opposed the original bill, saying it would leave a loophole opening the way for unrestricted deployment of SDF military aircraft, even on occasions other than rescue missions.

The bill also bars the use of fighter planes to escort the passenger planes flying civilians from conflict zones to safe areas. But it allows the government to use SDF cargo planes if runways at destination airports are too short for a jumbo jet to land or when the number of Japanese citizens seeking to be rescued is small, the officials said.

The bill obligates the government to "ascertain the safety of flight routes and airports at destination countries," before any dispatch can be authorized by the cabinet, they said. The government also agreed to drop a provision that would have empowered the foreign minister to order the dispatch of rescue aircraft without seeking the consent of other cabinet ministers.

The cabinet also agreed to an SDF request to limit to handguns the type of arms SDF personnel may carry on such missions, they said.

In June, a less restrictive bill proposed by the then-ruling Liberal Democratic Party [LDP] became bogged down when the House of Representatives passed a nonconfidence motion against the government of Prime Minister Kiichi Miyazawa. The motion triggered a July 18 general election that ended the LDP's uninterrupted 38-year run in office and brought the coalition government to power in August.

Hosokawa: Seoul Trip Reflects Importance of Ties
OW0511134493 Tokyo KYODO in English 1319 GMT
5 Nov 93

[Text] Tokyo, Nov. 5 KYODO—Prime Minister Morihiro Hosokawa told South Korean correspondents in Tokyo on Friday [5 November] that his visit to their country on Saturday and Sunday reflects the importance

he attaches to Japanese-Korean relations, a Foreign Ministry official said. On the eve of his two-day visit to the ancient Korean capital of Kyongju for talks with South Korean President Kim Yong-sam, Hosokawa made the remark at a joint interview by journalists from 17 South Korean media.

"The reason I decided on this visit is because I believe ties between Japan and South Korea are one of the most important bilateral relations in Asia and in the world," the premier was quoted as saying.

Hosokawa's visit to South Korea is the first trip to an Asian country and the second overseas journey since he took office in August. He paid a visit to the United States in September to confer with President Bill Clinton.

During the 40-minute interview, Hosokawa expressed hope he can build friendly relations and develop personal trust with Kim through the journey, the official said. He also reportedly said he wishes to candidly exchange views on the international situation and issues of mutual concern.

Questioned on how Tokyo views North Korea's suspected nuclear weapon development, the premier voiced concern that the alleged development poses a threat to the security not only of the Asia-Pacific region but also the whole of international society. He demanded that the communist country meet its international obligations by accepting the nuclear inspections of the International Atomic Energy Agency.

The premier also spoke of the need for Japan, the U.S. and South Korea to take a unified stand in talking North Korea into clearing itself of the suspicion, according to the official.

Concerning Russia's dumping of radioactive waste into the Sea of Japan, Hosokawa revealed that Tokyo, Seoul and Moscow will jointly conduct a survey of water in the sea early next year.

Asked to comment on the bilateral trade imbalance in favor of Japan, the premier said Tokyo will strive to rectify the imbalance while further expanding trade between the two nations. South Korea suffered a current account deficit worth 6.2 billion dollars in 1992.

Noting that Japan cannot accept the full-scale tariffication formula under the Uruguay Round of multilateral trade talks, Hosokawa reportedly expressed his resolve to continue rejecting an international call to open up Japan's rice market to foreign competition.

The formula proposed in December 1991 by then GATT chief Arthur Dunkel calls for all nontariff restriction on agricultural imports, including Japan's ban on rice imports, to be converted to customs duties without exception, with a view to their gradual reduction and eventual elimination.

Speaking of Tokyo's international contribution, the premier gave assurances that Japan cannot aim to be a

military power under its pacifist Constitution while voicing hope it will play some global role in such fields as United Nations peacekeeping activities, environmental preservation, technological cooperation, and arms control and disarmament.

Nuclear Dismantling Meeting Planned With Russia

OW0511102893 Tokyo KYODO in English 1005 GMT 5 Nov 93

[Text] Tokyo, Nov. 5 KYODO—Japan and Russia will hold the first meeting of a bilateral committee on cooperation in nuclear dismantling next Friday [12 November] to discuss specific fields of cooperation and procedures, the Foreign Ministry said Friday. The two sides agreed to set up the committee during Russian President Boris Yeltsin's visit to Japan in mid-October.

Japanese Ambassador to Russia Sumio Edamura and Akira Hayashi, the Foreign Ministry's director general for arms control and scientific affairs, will attend the meeting, the ministry said. The Russian side will be attended by officials from the Foreign Ministry, Defense Ministry and the Atomic Energy Ministry, it said.

Japan announced in April at the ministerial meeting of the Group of Seven (G-7) nations that it would extend a grant-in-aid of about 100 million dollars for the promotion of nuclear weapons destruction in the former Soviet Union.

In a related move, Japan and Russia will also hold a joint working group meeting in Moscow next Wednesday and Thursday to discuss Russia's disposal of radioactive waste into the ocean, the ministry said. The Russian Navy on October 17 dumped 900 tons liquid radioactive waste into the sea of Japan. Moscow canceled a planned second dumping following strong protests from Japan and South Korea.

Kyushu, Vietnamese Universities Sign Accord

OW0511055893 Tokyo KYODO in English 0501 GMT 5 Nov 93

[Text] Fukuoka, Nov. 5 KYODO—Kyushu University and two Vietnamese universities Friday [5 November] inked a pact to step up technological transfer and joint research in the biotechnological and agricultural fields, university officials said. The accord was signed by Ichiro Goto, dean of Kyushu University's agriculture faculty, as well as Cu Xuan Dan, rector of the University of Hanoi, and Tran Thuong Tuan, vice rector of Cantho University.

Scientific research exchanges between Vietnamese and Japanese universities are rare as the two nations' relations have been sour since the Vietnam war, the officials said.

The accord calls for expediting cooperation and exchanges among the universities' researchers and students. Vietnam especially wants to secure sophisticated Japanese biotechnology, the officials said.

"The agricultural industry in Vietnam is undergoing rapid changes and their productivity is on the rise," Hideo Moriyama, a Kyushu University researcher, said.

Sadako Ogata Reappointed Head of UNHCR 4 Nov

OW0511000193 Tokyo KYODO in English 2306 GMT 4 Nov 93

[Text] New York, Nov. 4 KYODO—Sadako Ogata was reappointed as the U.N. high commissioner for refugees (UNHCR) on Thursday [4 November] for a full five-year term. The U.N. General Assembly reelected Ogata after she received the nomination of U.N. Secretary General Butrus Butrus-Ghali on Wednesday.

Ogata, a Japanese national, has served in the post for the last three years, having assumed the position in January 1991 after her predecessor resigned two years into his term. The UNHCR is largely responsible for providing accommodation and other assistance for refugees, as well as arranging eventual repatriation.

Ogata, 66, formerly served as a representative of Japan's mission to the United Nations and as dean of the foreign studies faculty of Sophia University in Tokyo.

Along with U.N. Undersecretary General Yasushi Akashi, who headed the U.N. Transitional Authority in Cambodia (UNTAC), Ogata is among the most prominent Japanese figures in the U.N. bureaucracy. She has maintained a high international profile, frequently visiting refugee camps in such places as Somalia, Bosnia-Herzegovina, Cambodia and the protected Kurdish zones of Iraq.

In a speech to a conference last Friday, Ogata questioned how long her agency could continue to feed and protect refugees in the former Yugoslavia without a political solution. She warned that the civil war there was "a cancer that can spread through the entire fabric of national and international society."

Hata Applauds Reappointment

OW0511004093 Tokyo KYODO in English 2308 GMT 4 Nov 93

[Text] Tokyo, Nov. 5 KYODO—Japanese Foreign Minister Tsutomu Hata welcomed the reappointment of Sadako Ogata as the U.N. high commissioner for refugees (UNHCR) in comments released early Friday [5 November] morning.

Hata expressed approval of Ogata's designation to a second term "amid the international situation which requires humanitarian assistance." Hata pledged Japan's continuing support for the UNHCR and also called for further help from other countries.

The U.N. General Assembly reelected Ogata based on the recommendation of U.N. Secretary General Butrus Butrus-Ghali on Thursday.

Kajima Allegedly Gave Funds to Shinseito's Ozawa

*OW0511015893 Tokyo KYODO in English 2343 GMT
4 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—A senior vice president of the construction giant Kajima Corp. gave a 5 million yen donation to Ichiro Ozawa, co-leader of Shinseito (Japan Renewal Party), in December last year, a national daily reported Friday [5 November]. The ASAHI SHIMBUN quoted sources close to the vice president, Shinji Kiyoyama, 67, as saying he gave the money to Ozawa at his office in Tokyo as a regular year-end donation.

Kiyoyama made the remark before being detained by prosecutors in late October for allegedly giving a 20 million yen bribe to then-Ibaraki governor last December, the sources said.

The ASAHI said Kiyoyama admitted to the prosecutors that Kajima had given Ozawa donations of 5 million yen twice a year—in midsummer and at the year-end—for two or three years.

Ozawa told the paper through his secretary that he will look into the alleged donation and disclose the result. He said he was acquainted with Kiyoyama, but denied getting regular contributions from Kajima, according to the ASAHI.

The ASAHI reported earlier that Kiyoyama gave a 10 million yen donation to disgraced political heavyweight Shin Kanemaru, former LDP [Liberal Democratic Party] vice president, twice a year, and also provided between 5 million yen and 10 million yen to former Prime Minister Noboru Takeshita regularly at midsummer and the year-end.

If Kajima's donations to Ozawa are confirmed by investigators, they may be regarded as violating the Political Fund Control Law, which bans donations over 1.5 million yen a year from an individual or corporation.

Shinseito, formed by a breakaway group from the Liberal Democratic Party, is a member of the ruling seven-party coalition.

Growth in Current Account Surplus Reported

*OW0511080493 Tokyo KYODO in English 0649 GMT
5 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—Japan's current account surplus grew 10.3 percent in September from a year earlier to 13.31 billion dollars before seasonal adjustments, the Finance Ministry reported Friday [5 November].

September was the 30th consecutive month in which the nation's surplus on the current account, the broadest measure of trade in goods and services plus other international financial flows, grew from a year earlier.

On a balance of payment basis, the nation's trade surplus advanced 8.6 percent to 14.65 billion dollars in September after falling in August due to subdued activity during summer holidays.

The September current account data brought the cumulative current account surplus up 11.7 percent to 63.71 billion dollars in the fiscal first half ended September 30.

In the first half, the nation's trade surplus totaled 70.77 billion dollars, up 8.1 percent from a year earlier. In September alone, exports rose 5.5 percent to 32.53 billion dollars, while imports grew 3.1 percent to 17.89 billion dollars.

For the first half, exports rose 7.9 percent to 176.78 billion dollars, while imports jumped 7.7 percent to 106.01 billion dollars.

Surplus 'Peaking Out in Yen Terms'

*OW0511131993 Tokyo KYODO in English 0905 GMT
5 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—Japan posted a fifth straight year-on-year rise in its current account surplus for the first fiscal half in dollar terms, but the politically sensitive surplus is peaking out in yen terms, the Finance Ministry said Friday [5 November].

The ministry reported the unadjusted current account surplus, which represents trade in goods and services, totaled 68.71 billion dollars in the first six months of fiscal 1993, up 11.7 percent from the year-earlier level. The figure is the second highest for a half-year term, but the highest for a first half, the ministry said.

But citing the decline from the previous six months in which the surplus hit the highest-ever 83.43 billion dollars and lower surplus in yen terms, a ministry official said he got an "impression of a change in the trend."

The yen-based unadjusted surplus came to 6,875.1 billion yen, down 5.5 percent from a year earlier.

As for the latest reporting month of September, the current account surplus came to 13.3 billion dollars, up 10.3 percent to post the 30th straight year-on-year rise on a preliminary basis and fifth gain in a row on a revised basis.

Nobuyuki Saji, senior economist at the Nikko Research Center, said the yen's sharp rise is starting to put a break on exports and Japanese companies are stepping up imports from their overseas plants to exploit the strong yen. This is likely to start pushing down the current account surplus next year, he said.

The six-month trade surplus rose 8.1 percent on a contract settlement basis to 70.77 billion dollars, marking the sixth straight year-on-year gain, but the surplus in yen terms fell for the first time in six terms, down 8.5 percent.

Exports rose 7.9 percent to 176.78 billion dollars, and imports went 7.7 percent higher to 106.01 billion dollars. In terms of yen, exports fell 8.8 percent and imports dropped 9.0 percent.

For September, the trade surplus was at 14.65 billion dollars, up 8.6 percent, with exports rising 5.5 percent to 32.53 billion dollars and imports increasing 3.1 percent to 17.89 billion dollars.

Referring to customs-cleared trade figures announced earlier, the ministry official stressed that exports in terms of volume were flat to lower over the past six months and imports expanded rather steadily.

The unadjusted services trade posted a deficit of 812 million dollars for September, a 20.6 percent lower deficit than the same month a year earlier, and the six-month deficit improved by 33.5 percent to 4.19 billion dollars.

Meanwhile, the ministry official noted the trend ahead depends much on the dollar-yen rate, oil prices and Japanese and overseas economic conditions.

In September, the dollar averaged 104.43 yen, down 19 percent from the previous year, and crude oil prices were 17.3 percent higher at 16.82 dollars per barrel.

Japan's overall balance of payments showed a surplus of 22.72 billion dollars in the first six months, down from 23.19 billion dollars a year before, the ministry said.

The September figure was in a surplus of 5.56 billion dollars, up from 4.14 billion dollars in deficit a year before.

Among other components in Japan's balance of payments that are not part of the current account, the deficit in the long-term capital account decreased by 15.0 percent to 29.20 billion dollars in the first six months, but the September account turned into a surplus of 3.54 billion dollars from a deficit of 6.61 billion dollars.

Balance of Payments (in millions of dollars)		
	Sept. '93	Sept. '92
Current Balance	13,310	12,062
Trade Balance	14,647	13,489
Exports	32,534	30,842
Imports	17,887	17,353
Services	-812	-1,023
Unrequited Transfers	-525	-404
Long-Term Capital	3,538	-8,076
Basic Balance	16,848	3,986
Short-Term Capital	-3,769	-4,217
Errors/Omissions	-7,515	-3,909
Overall Balance	5,564	-4,140

Fiscal Council Seeks Social Security Cuts

OW0511080593 Tokyo KYODO in English 0723 GMT
5 Nov 93

[Text] Tokyo, Nov. 5 KYODO—The Finance Ministry's Fiscal System Council called Friday [5 November] for the trimming of social security spending to cope with Japan's graying society. The nation's medical and pension systems should be streamlined, an official at the ministry's Budget Bureau said in briefing reporters on a meeting of the council's study panel.

A total 13.15 trillion yen was earmarked for social security spending under the fiscal 1993 budget, up 3.2 percent from the previous year. The sum accounted for 18.2 percent of the general account budget, the official said.

Council members cited the need to curtail spending for state-run hospitals, including a cut in unnecessary hospitalization and uses of medicine, the official said.

The members agreed to improve the nation's welfare system for the elderly and expand budgetary allocations for combating cancer and AIDS, the official said.

Union, Employers Groups Urge Income Tax Cut

OW0511033293 Tokyo KYODO in English 0219 GMT
5 Nov 93

[Text] Tokyo, Nov. 5 KYODO—Japan's largest trade union federation and employers' organization have formed a joint front to demand an income tax cut of 5 trillion yen, officials of the two bodies said Friday [5 November].

Akira Yamagishi, chairman of the Japan Trade Union Confederation (Rengo), and Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren), will jointly push the demand in their meeting with Prime Minister Morihiro Hosokawa slated for Friday morning, they said.

The demand is designed to boost consumer spending to bolster the floundering economy, whose export-driven industrial sectors have been buffeted by the adverse fallout of a higher yen, the officials said.

The move marks the second time for the leaders of the two organizations—usually seen as adversaries—to jointly urge the government to take some pump-priming action.

In July 1990, Yamagishi and then Nikkeiren President Eiji Suzuki jointly urged the administration of Prime Minister Toshiki Kaifu to take steps to stem soaring prices.

The Hosokawa administration has taken a cautious stance toward any tax cut proposals, saying such cuts would undermine the fiscal health of Japan's treasury in view of the absence of any prospects of a state revenue recovery.

The state coffers have been hard hit by dwindling corporate tax revenue during the current recession.

Nagano and Yamagishi will urge Hosokawa to implement even a part of the proposed 5 trillion yen cut in the form of year-end tax rebates, leaving the remaining portion for next year, the officials said.

They will urge Hosokawa to finance the tax cut by means of state borrowing coupled with flotation of bridging bonds, in view of Rengo's strong objection to any increase in the consumption tax rate—a 3 percent tax imposed on sales of most goods and services.

Yamagishi and Nagano will also hold a meeting in the headquarters of the Federation of Economic Organizations (Keidanren) to exchange views on the current economic and fiscal situation, the officials said.

Both the eight-million-member Rengo and Nikkeiren worry that the economic slump will continue to squeeze private consumption, delaying an economic recovery, they said. The two organizations decided to mend fences in a face-to-face meeting between the two leaders on September 13, the officials said.

Yamagishi, who had just been reelected to Rengo's top post, paid a visit to Nagano that day and proposed forming the joint front for a tax cut, they said.

Yamagishi later told reporters that Nagano's agreement to cooperate on the tax cut plan will not give employers an excuse to hold down wage increases during next spring's annual labor-management wage negotiations, known as the "shunto."

Official Cautious on Raising Consumption Tax

OW0511033693 Tokyo KYODO in English 0223 GMT
5 Nov 93

[Text] Tokyo, Nov. 5 KYODO—The government should consider the impact of tax changes on social welfare recipients before raising the consumption tax, Japan's chief economic planner said Friday [5 November].

"The consumption tax issue should be discussed under a broad framework," Economic Planning Agency (EPA) head Manae Kubota told a regular news conference. "Before the consumption tax is raised, we should show what the money will be used for."

Housing and welfare policy should be clarified as the tax debate continues, she said.

As attention focuses on the amount of expected income tax cuts and an offsetting rise in the consumption tax, which currently stands at 3 percent, Kubota urged that the tax discussion should map out an economic vision that shows due concern for Japan's graying society.

Business, Labor Leaders Press for Tax Cut

OW0511055993 Tokyo KYODO in English 0504 GMT
5 Nov 93

[Text] Tokyo, Nov. 5 KYODO—Labor and management leaders on Friday [5 November] jointly pressed Prime Minister Morihiro Hosokawa to implement income tax reductions worth more than 5 trillion yen by the end of the year to jump-start Japan's stagnant economy.

Akira Yamagishi, chairman of the Japanese Trade Union Confederation (Rengo), and Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren), made the pitch when they met Hosokawa at the premier's official residence. "We asked the premier to implement income tax cuts worth more than 5 trillion yen," Yamagishi told reporters. "To do so, we should not raise the consumption tax rate but issue short-term deficit-covering bonds."

A 1 percent hike in the consumption tax would provide about 2 trillion yen in extra revenue. An increase to about 6 percent from the present 3 percent is therefore necessary to cover tax cuts worth 5-6 trillion yen.

The concerted move by Yamagishi and Nagano marks the second time for the leaders of the two organizations—usually seen as adversaries—to jointly urge the government to hammer out some pump-priming measures.

In July 1990, Yamagishi and then Nikkeiren President Eiji Suzuki jointly pressed the government of then Prime Minister Toshiki Kaifu to take steps to rectify price differences between at home and abroad, and hold soaring prices in check.

The Hosokawa administration has taken a cautious stance on tax cuts, saying they would undermine the fiscal soundness of Japan's treasury in view of the dim prospects of a state revenue recovery.

The state coffers have been hard hit by dwindling corporate tax revenue during the protracted economic slump.

Yamagishi said he urged Hosokawa to decide on income tax cuts before the premier meets U.S. President Bill Clinton in Seattle on November 19 and 20 at an informal summit of the 15-member Asia-Pacific Economic Cooperation forum.

Nagano asked the government to slash income tax in the form of year-end tax rebates because it is one of the few measures to give a shot in the arm to the foundering economy, Yamagishi said.

Hosokawa reportedly replied he will make clear his views on tax cuts after the government's tax commission submits a report November 16. The report is expected to propose income and residential tax reductions worth 5 trillion to 6 trillion yen.

Even if the government cannot implement tax cuts by the end of the year but can do so early next year, the premier should make known to the public the government tax cut plan so as to stimulate consumer spending in advance, the labor leader said.

Both the eight million-strong Rengo and Nikkeiren are concerned that the economic slump will continue to squeeze private consumption, delaying an economic recovery, their officials said.

The two organizations decided to mend fences in a face-to-face meeting between the two leaders September 13, the officials said.

Tax Body Agrees To Recommend Tax Rate Hike

*OW0511120693 Tokyo KYODO in English 1112 GMT
5 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—The government's Tax Commission on Friday [5 November] agreed to recommend a hike in the consumption tax rate and a reduction in income tax as a way to rectify the heavy bias toward direct taxation in Japan. The recommendation will be contained in an interim report on tax overhaul, to be released November 16, "not in a quantitative but in a qualitative form," commission head Kan Kato told a press conference.

All commission members basically agreed to recommend establishing a tax system that would ensure "equality" of tax burden among the generations amid the rapid graying of the Japanese society, Kato said.

Kato also stressed the need to create a tax structure that would provide "sufficient levels of public services" in the future. The consumption tax is like an "admission fee for receiving public services," he said after attending the last commission meeting before release of the interim report.

A special committee set up Friday to draw up the report will clarify the "direction" of the tax reforms while the scale and timing of a consumption tax hike and income tax cuts should be left up to political judgment, he said.

Kato dismissed arguments by those opposed to a consumption tax hike, pointing out Denmark, which is often cited as a model of a welfare-oriented society, has a uniform 25 percent consumption tax.

The Japanese people should equally share the "pain" of a tax hike from the current 3 percent to make the next century "full of vitality," he said, adding the public's perception of taxes should be "drastically changed" through the ongoing tax reform efforts.

Kato rejected a much-publicized proposal to raise the consumption tax as a means to cover funds for the proposed income tax cuts, as "an argument seeking short-term profit."

The commission will draw up an interim report in line with Prime Minister Morihiro Hosokawa's call for establishing a well-balanced tax system for income, assets and consumption, Kato said. Hosokawa made the request at the first meeting of the commission's subcommittee in September.

On proposals by the business community to cut income taxes worth 5 trillion yen to shore up the flagging economy, Kato said the proposed cuts could boost domestic spending. But he said such tax cuts would be technically impossible to implement by the year-end.

On reported opposition by the Social Democratic Party to the consumption tax hike, Kato said such opposition, if true, would run counter to Hosokawa's policies. He said the Tax Commission will not directly urge the coalition government to coordinate its view on the consumption tax issue, but it hopes the seven parties will join hands in respecting the commission's report.

Panel Opts for Maker-Friendly Liability Law

*OW0511144893 Tokyo KYODO in English 1431 GMT
5 Nov 93*

[Text] Tokyo, Nov. 5 KYODO—A government panel on Friday [5 November] unofficially adopted a proposal for setting up a legal system guaranteeing compensation for consumers injured or killed by faulty products, but analysts immediately called it more friendly to manufacturers than consumers. A subcommittee of the industrial structure council, an advisory body to the trade minister, has agreed that a law on product liability should be introduced so as to ensure product safety.

After getting official approval next Wednesday, the proposal will be submitted to the social policy council, an advisory council to the prime minister. The social policy council is to draw up final recommendations in December for a consumer protection law bill for government submission to the next ordinary Diet session.

Under the product liability concept, a manufacturer can be held liable when its product has defects that cause damage or injury to consumers. It is well established in the United States and western Europe.

Currently, Japanese consumers already have the right to file civil lawsuits against manufacturers for defective products. But it has been virtually impossible for individual consumers to win such cases because they are required to prove the defects in question resulted from intent or overt negligence by the producer.

Under the subcommittee proposal, consumers will only be required to prove the products are in fact defective, regardless of whether the defects resulted from intent or not. But analysts say that because plaintiffs will have to show that the defects have not been caused by improper usage or remodeling of a product by themselves, the proposed Japanese system will be less consumer-friendly than its counterparts in other industrialized nations.

The proposal also suggests that makers not be liable for defects if such defects are of kinds which were not possible to foresee when the products were manufactured. The exception is intended to prevent the liability legislation from making manufacturers shy away from developing new products out of fear of possible damage suits.

The subcommittee suggested the proposed system be limited to mass-produced manufactured goods and not to medical and other services and property business. It also decided to recommend that liability be limited to 10 years after the products are put on the market.

North Korea

South Warned Against Taking 'Countermeasures'

SK0511015593 *Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 4 Nov 93*

[Text] Seoul Radio-1 reported that on 3 November, South Korean Defense Minister Kwon Yong-hae met with U.S. Defense Secretary Aspin who flew into Seoul. It further said Minister Kwon babbled that the North's nuclear development constitutes a serious challenge to the entire world's efforts to maintain peace as well as to the Korean peninsula.

In a special news conference with broadcast reporters held on 2 November, Kwon Yong-hae found fault with our nonexistent nuclear development and professed that South Korea will not hesitate to resort to so-called military countermeasures.

Such reckless, provocative, and outrageous remarks made by Kwon Yong-hae are dangerous, militant, and awkward statements aimed at putting the brakes on the exchange of North-South special envoys and DPRK-U.S. talks and at leading the situation on the Korean peninsula to the brink of war. The statements hide the insidious efforts of the South Korean authorities to forcefully strangle [apsal] the popular masses-centered socialism of our style with outside forces.

We neither intend, nor are capable of developing nuclear weapons. As the world is aware, we are using nuclear energy for peaceful purposes, and we are consistently making efforts for peace and security not only on the Korean peninsula but also in the world.

The innocence and transparency of our nuclear policy have already been clearly proven in the two rounds of DPRK-U.S. talks. We have shown deeper interest than anyone else in resolving the nuclear issue on the Korean peninsula. We have made efforts to fairly resolve it through dialogue.

Nevertheless, the boss of the South Korean military establishment which claims to be an agency of civilian-led government, raved about military countermeasures. This amounts to a denial of their current regime as a civilian-led government, totally rejecting the solution of

the nuclear question through dialogue, and virtually declaring North-South military confrontation.

Now that the South Korean military authorities have openly declared that they plan to counter us with force of arms, it is inevitable for us to reciprocate the provokers' declaration with force of arms. It is our position to respond to dialogue with dialogue and to war with war.

Military countermeasures are tantamount to war [kun-sajok taegungun kot chonjaengul uimihanda]. If South Korean puppets dare to ignite war against us, we will resolutely counter fire with fire and inflict over a thousand-fold of punishment on provokers.

The South Korean authorities should clearly realize that military countermeasures will only result in their destruction, and therefore they should not run amok.

Daily Urges South To Renounce Nuclear Suspicion

SK0511122093 *Pyongyang KCNA in English 1023 GMT 5 Nov 93*

["'Nuclear Suspicion' Racket Will Bring Nothing Good"—KCNA headline]

[Text] Pyongyang, November 5 (KCNA)—The South Korean ruling quarters, looking straight at the reality, must immediately renounce the reckless racket over "nuclear suspicion" and take the road of national independence, harmony and unity, not dependence on outside forces, fratricidal feud and war, as desired by the people, urges NODONG SINMUN today.

The paper in a by-lined article says:

These days the South Korean ruling quarters are committing malicious hostile acts against the North, playing the role of a shock force in the racket over the fictitious "nuclear suspicion."

A "resolution on the North" was adopted at the "National Assembly" of South Korea some time ago. The "Defence Minister," Kwon Yong-hae, let out without hesitation a very bellicose blast, blaring that "military countermove would not be ruled out," charging the North with "nuclear development."

This vividly shows that their criminal moves against the North are getting all the more reckless with the passage of time.

Lurking behind their outcries over the fictitious "suspicion of nuclear development of the North" is a sinister intention to stifle the DPRK with the help of outside forces.

In this clamor they also seek to divert elsewhere the attention of the people, lull the growing complaints of the people against them and bridge over the ever-worsening crisis in their rule.

To put a brake on the denuclearization of the Korean peninsula is one of their purposes in the racket.

It is entirely ascribable to the wrong position and attitude of the South Korean authorities that no progress has been made in the denuclearization of the Korean peninsula since the adoption of the joint declaration on this issue.

Upset by the successful holding of two rounds of DPRK-U.S. talks, they are laying obstacles in the way of the third round of talks, saying no more concessions must be made.

However, they can get nothing good from the outcries over "nuclear suspicion."

The people who love justice and truth see through the seamy side of the imperialist reactionaries' racket over "nuclear suspicion."

ROK Minister's 'Bellicose' Remarks Denounced

*SK0511060893 Pyongyang Korean Central
Broadcasting Network in Korean 1150 GMT 4 Nov 93*

[Commentary by Chong Pong-kil: "The Civilian Government's Warmongers Should Not Run Wild, Rashly"]

[Text] In a special interview with a network reporter on 2 November, South Korean Defense Minister Kwon Yong-hae raised an outcry over our fictitious nuclear development and stated extremely provocative remarks that the South will not hesitate to take military countermeasures.

Vice Marshal Kim Kwang-chin, vice minister of People's Armed Forces, released a press statement regarding this on 3 November. In the statement, he sternly denounced the puppet defense minister's reckless remarks and expressed our firm, principled position. We cannot overlook the bellicose remarks made by the defense minister of the South Korean regime, which dresses like a civilian government, one day before the annual Security Consultative Meeting with the United States.

Only two and a half years ago, the Sixth Republic's defense minister said that he would make a surprise attack on the North's atomic reactor facilities by sending a ranger corps. When his remarks caused strong indignation at home and abroad, the South Korean authorities cooked up an excuse, saying that he had stated so by mistake.

The civilian government's military authority made without hesitation the bellicose remarks similar to those which the rulers of the Sixth Republic had unavoidably withdrawn. As what should this be regarded? This shows that the present South Korean rulers of the civilian government are more bellicose than the former military regime's rulers and that an extremely dangerous war frenzy is hidden behind their mask of a civilian government.

The remarks that they will not hesitate to take military countermeasures against us are a public announcement that they completely refuse to resolve the nuclear issue through dialogue and will stick to a method of war. This is none other than a virtual declaration of war. The rash remarks are an open declaration of abandoning dialogue and refusing peaceful reunification, as well as an open challenge to us.

As everyone knows, we have neither the will nor the ability to develop nuclear weapons. We are making all sincere efforts to resolve fairly the nuclear issue of the Korean peninsula through dialogue. This is proven by our attitude toward the DPRK-U.S. talks and North-South working-level contacts for an exchange of special envoys of both sides' top authorities. We value these talks and expect excellent results from them.

We cannot continue to rely only upon dialogue, however, because the South Korean authorities have declared military countermeasures.

The head of the North side's delegation to the North-South working-level contact for the exchange of special envoys of both sides' highest leaders sent a telephone message to the senior delegate of the South side on 3 November. He said in the message that the South Korean defense minister's very dangerous outburst had put the working delegates' contact for the envoy exchange in danger of losing its significance and made it difficult to hold the fourth contact of the working delegates as scheduled.

The South Korean authorities, who avoided a peaceful settlement of the problem and pursued military confrontation, will be held entirely responsible if dialogue on the nuclear issue comes to a halt.

As declared in the statement released by the vice minister of People's Armed Forces, it is our position that we respond to dialogue with dialogue and to war with war, and we are ready not only for dialogue but for a war.

Under the condition that the South Korean military authority said that he would treat us with armed forces, we will not be able to do anything but react to this with armed forces, and this may cause a war.

If the South Korean authorities think they can use arms against us in the same way they do against the South Korean people, their act would be rash and thoughtless like that of a day-old puppy which does not know enough to fear a tiger. Furthermore, if they expect to survive after harming others, it would be the silliest miscalculation.

Our People's Army makes it its revolutionary trait to treat with fire those who ignite our dignified Republic and to punish them hundreds of times. If the enemy, which sells [panyok] the nation and disturbs the peace of the country, conducts military adventures, our one-a-match-for-100 People's Army, which defends peace of the fatherland and the

people and popular masses-oriented socialism of our own style impregnable, will give it only death and a crushing defeat as it did in the past.

The South Korean warmongers must not run wild rashly with a foolish illusion. The puppet defense minister's reckless remarks aimed at harming us just foretell his own ruin and an end of the Kim Yong-sam regime attired with civilian government. They must clearly be aware that the piteous destiny is what the provokers themselves have chosen, not forced by us. No matter how much the provokers might feel regret when they fall into their destiny, it would be of no use then.

Pyongyang Papers Urge South Not To Act 'Rashly'

SK0511052293 *Pyongyang KCNA in English 0441*
GMT 5 Nov 93

["South Korean Warmaniacs Must Not Act Rashly, Warn Papers"—KCNA headline]

[Text] Pyongyang, November 5 (KCNA)—The South Korean "defence minister" let out the blast that "military countermove would not be ruled out", charging the North with fictitious "nuclear development". Commenting on his utterances, NODONG SINMUN and MINJU CHOSON today warn that the South Korean warmaniacs must not act rashly, looking straight at the trend of the times.

The analyst of NODONG SINMUN says:

Now the Korean people and People's Army can hardly repress bitter resentment at the belligerent blast of the South Korean "defence minister", regarding it as a de facto declaration of war against dialogue and peace.

Lurking behind the South Korean military authority's talk about "military countermove" is obviously a dangerous scheme to put the brake on the DPRK-U.S. talks and an exchange of special envoys between the North and the South and push the situation on the Korean peninsula to the brink of war.

Military countermove precisely means a war.

We set store by dialogue but would not beg it of those who are trying desperately to swallow us up. We are prepared for either dialogue or war. Answering dialogue with dialogue, war with war is our stand.

MINJU CHOSON in a commentary says the South Korean authorities' attempt to get something from North-South confrontation and war is as foolish and absurd as plunging into the fire with faggots on their back.

Daily Denounces 'Partiality' Within IAEA

SK0511104793 *Pyongyang KCNA in English 1029*
GMT 5 Nov 93

["Scope of IAEA's Partiality Expands"—KCNA headline]

[Text] Pyongyang, November 5 (KCNA)—Some quarters of the Secretariat of the International Atomic Energy Agency (IAEA) submitted an "annual report" of the IAEA to the UN General Assembly and had a "resolution" carried there on November 1.

NODONG SINMUN today brands it as another international political plot to infringe on the sovereignty of the DPRK.

The paper in a by-lined article says:

This irrefutably proves that some quarters of the IAEA Secretariat have systematically expanded the scope of the partiality of the IAEA as regards the fictitious "nuclear problem" of the DPRK, abandoning the principle of impartiality and neutrality which is vital to an international organisation, and that such acts have been carried into extremes today.

The article notes that the Secretariat of the IAEA already revealed its partiality when it began dealing with the DPRK and, citing facts, points out that the Western forces have instigated and manipulated the IAEA Secretariat to attain their sinister political purpose.

Some officials of the IAEA Secretariat, it continues, came to the DPRK under the pretext of "inspection" and "ad hoc inspection" and tried to behave as lawful spies and a shock force to disarm the DPRK under the manipulation of the Western Forces.

The IAEA Secretariat called for "special inspection" of the DPRK, groundlessly insisting that ordinary military sites of ours were "sites of nuclear arms development." This clearly shows how shamelessly and viciously the impure elements of the IAEA secretariat worked to discharge the espionage mission assigned them by the Western forces.

This was a criminal act insulting our good will to honestly implement the Nuclear Nonproliferation Treaty and the safeguards agreement and abusing it for a sinister purpose.

At the negotiation with the DPRK, some quarters of the IAEA Secretariat did not admit the faults of the IAEA but demanded "special inspection" of the DPRK. This was a virtual declaration that they would maintain the partiality of the IAEA.

Those quarters of the IAEA Secretariat must act with discretion, clearly mindful that such plot will bring them nothing but shame and destruction.

Daily Comments on Aspin-Hosokawa Meeting*SK0511052393 Pyongyang KCNA in English 0445
GMT 5 Nov 93*

["False Propaganda Cannot Work"—KCNA headline]

[Text] Pyongyang, November 5 (KCNA)—Japanese Prime Minister Hosokawa, when he met the U.S. defence secretary visiting Japan on November 2, said that North Korea must accept a "nuclear inspection" and "many countries regard the nuclear problem of North Korea as a factor of instability".

This is a ruse of the Japanese reactionaries to make the "nuclear problem" of the DPRK an international issue and thereby put pressure upon it and isolate it in the international arena, an analyst of NODONG SINMUN today says, and continues:

The world is cautious of the fact that peace and security in Asia and the rest of the world are gravely threatened by Japan.

The Japanese reactionaries are still captive to the wild ambition to realize the old dream of the "greater East Asia coprosperity sphere".

What Hosokawa sought in branding the "nuclear problem" of the DPRK as "a factor of instability" this time was to cover the true color of Japan which is the very one creating instability in Asia and the rest of the world and attain its aggressive purpose.

Such false propaganda cannot work. The Japanese authorities must stop the smear campaign against us, mindful that if they continue to slander others and work evils, it will only bring irretrievable consequences to them. The more they work against us, the worse consequences they will face.

Russian Fleet Warned Not To Dump Nuclear Waste*SK0511111093 Pyongyang KCNA in English 1033
GMT 5 Nov 93*

[Text] Pyongyang, November 5 (KCNA)—Georgiy Gurinov, commander of the Pacific Fleet of Russia, reportedly declared over Maritime Provincial Television November 2 that the Pacific Fleet would dump nuclear waste into certain spots of the East Sea of Korea [Sea of Japan] as planned.

He pleadingly added that Russia was following the way the developed countries dump such waste, sometimes waste of higher radioactivity than Russia's, into the ocean.

Russia must clearly know that nuclear waste dumping into waters is a grave crime wrecking the environment of the world and turning the East Sea of Korea into a nuclear dump, whether it is according to a "plan" or for an "unavoidable reason."

Kim Il-song Meets With Visiting Cuban Jurist*SK0511111193 Pyongyang KCNA in English 1034
GMT 5 Nov 93*

[Text] Pyongyang, November 5 (KCNA)—The great leader President Kim Il-song today received a Cuban jurist, Ms. Candelaria Rodriguez on a visit to Korea.

Present there were Chairman Chong Chun-ki and Vice Chairwoman Chon Yon-ok of the Committee for Cultural Relations with Foreign Countries and Cuban Ambassador E.P. to Korea Juan Jose Leon Vega.

President Kim Il-song had a conversation with the guest in a cordial and friendly atmosphere.

The guest presented him with a gift.

President Kim Il-song arranged a luncheon for her.

Vice President Meets Ethiopian Ambassador*SK0411133293 Pyongyang KCNA in English 1039
GMT 4 Nov 93*

[Text] Pyongyang, November 4 (KCNA)—Vice President Yi Chong-ok met and had a conversation with Zerihun Getachew, Ethiopian ambassador to Korea, when the latter paid a courtesy call on him at the Mansudae Assembly Hall on November 4.

Present there was Vice Minister of Foreign Affairs Kim Yong-il.

Foreign Minister Receives New Algerian Ambassador*SK0511050793 Pyongyang KCNA in English 0425
GMT 5 Nov 93*

[Text] Pyongyang, November 5 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam met and had a talk with newly-appointed Algerian Ambassador Hanafi Oussedik who paid a courtesy call on him Thursday.

PAF Chief Meets Visiting PRC Army Delegation*SK0511030893 Pyongyang KCNA in English 2309
GMT 4 Nov 93*

[Text] Pyongyang, November 4 (KCNA)—O Chin-u, Minister of People's Armed Forces [PAF], today met the friendly visiting group of the Chinese People's Liberation Army led by Lt. General Li Wenqing and conversed with it in a friendly atmosphere.

Present on the occasion was Qiao Zonghuai, Chinese Ambassador to Korea.

PRC Military Attache Present*SK0511050593 Pyongyang KCNA in English 0421
GMT 5 Nov 93*

[Text] Pyongyang, November 5 (KCNA)—O Chin u, minister of People's Armed Forces, Thursday met the

friendly visiting group of the Chinese People's Liberation Army led by Lt. General Li Wenqing on a visit to Korea and conversed with it in a friendly atmosphere.

Present on the occasion were Lt. General Cho Yong-gun of the Korean People's Army and Qiao Zonghuai, Chinese ambassador to Korea, and the military attache of his embassy.

Government Delegation To Visit Cambodia

SK0511034193 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 4 Nov 93

[Text] At the invitation of the Government of the Kingdom of Cambodia, a DPRK Government delegation led by Comrade Kang San-song, premier of the State Administration Council, will soon pay an official goodwill visit to the Kingdom of Cambodia.

WPK Greets Malaysian UMNO Party Convention

SK0411133793 Pyongyang KCNA in English 1041 GMT 4 Nov 93

[Text] Pyongyang, November 4 (KCNA)—The Central Committee of the Workers' Party of Korea on November 3 sent a message of greetings to the annual convention of the United Malays National Organization of Malaysia.

Believing that the convention would be an important occasion in strengthening the party and consolidating the independent development of the country, the message wished the convention great success.

The message expressed the conviction that the friendly and cooperative relations between the two parties and two peoples would grow stronger and develop in accordance with the idea of independence, peace and friendship.

WPK Sends Message to Danish Communist Forum

SK0511110993 Pyongyang KCNA in English 1030 GMT 5 Nov 93

[Text] Pyongyang, November 5 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] on November 5 sent a message of greetings to the congress of the Communist Forum of Denmark.

Expressing the belief that the congress for founding a new communist political party would be an important occasion in steadfastly maintaining the socialist principle and strengthening the party organizationally and ideologically in the future, the message wished success to the congress.

Gathering Marks Anniversary of Movement in Syria

SK0511050293 Pyongyang KCNA in English 0423 GMT 5 Nov 93

[Text] Pyongyang, November 5 (KCNA)—A friendly gathering took place on the Korea-Syria Friendship Wonhwa Cooperative Farm Thursday on the occasion of the 23rd anniversary of the rectification movement in Syria.

Present there were officials concerned, functionaries of the farm, Yasir Farah, Syrian ambassador to Korea, and Syrian students studying in Korea.

The participants in the gathering deepened the feelings of friendship, conversing with each other and singing songs.

KCNA Carries Text of Land Lease Law

SK0511014693 Pyongyang KCNA in English 2220 GMT 4 Nov 93

[Text] Pyongyang, November 4 (KCNA)—The law on the lease of land in the Democratic People's Republic of Korea was adopted by decision No. 40 of the Standing Committee of the Supreme People's Assembly (dated the 27th of October, 1993). The full text of the law is as follow:

1. The Law on the Lease of Land of the Democratic People's Republic of Korea

Chapter 1—Underlying Principles

Article 1. The Law on the Lease of Land of the Democratic People's Republic of Korea shall contribute to the establishment of an order of the lease of land needed by foreign investors and foreign investment business entities and of its use.

Article 2. Foreign corporations and individuals may lease and use land of the Republic.

Koreans residing outside the territory of the Republic may also lease its land according to the law.

Article 3. The lessee of land shall have the right to use the natural resources and deposits in the leased land shall not fall within the right to use land. [sentence as received]

Article 4. Leasing of land shall be done under the unified control of the Land Administration Agency. In the free economic and trade zone, the zone authorities shall lease land.

Article 5. The home establishment, enterprise and organization that want to contribute land as capital to an equity or contractual joint venture may possess the right to use land with the approval of the Land Administration Agency.

Article 6. The period of land lease shall be fixed by agreement between contractors within the limit of 50

years stated in "Law of the Democratic People's Republic of Korea on Foreigners Investment".

Article 7. The right to use the leased land shall be the property right of the lessee.

Article 8. The lessee shall manage and use the leased land in accordance with the laws and regulations of the Republic and the lease contract.

Chapter 2—Ways of Leasing Land

Article 9. Land lease shall be done through consultation. Bids and auctions may also be applicable in a free economic and trade zone.

Article 10. The lessor shall provide to the lessee the following data: (a) location of the land, its acreage and topographical map (b) uses of land (c) construction space and plans of land development (d) period of construction and minimum cost limit of investment (e) requirements for environmental protection, sanitation and fire fighting (f) period of land lease (g) state of land development.

Article 11. Lease of land through negotiation shall go through the following procedures: (a) after studying the data, the intending lessee shall submit to the land leasing agency an application for the use of land with attached copies of documents endorsing the enterprise to be established or residence (b) the leasing agency shall forward to the applicant a notice of approval within 20 days of the receipt of the application (c) the leasing agency and the aspirant shall sign a land lease contract, which shall include the area and uses of land, and purpose and period of lease, total amount of investment, period of construction, rental charge of the land to be leased, etc. (d) the leasing agent, after receiving the required sum of money according to the land lease contract, shall issue the certificate of the use of land and register it.

Article 12. Lease of land through bidding shall go through the following procedures: (a) the leasing agency shall open to public the specifications of land, place of bidding, date of bidding and opening, the procedure of bidding and other necessary information, or forward the prospectus to the proposed bidder (b) the leasing agency shall sell tender documents to the bidder (c) the leasing authority shall hold talks with regard to bidding (d) the bidder shall pay the guaranty money and put the sealed proposal of tender into the appointed box (e) the leasing agency shall organize a bid examination committee with economic, law and other officials (f) the bid examination committee shall judge and assess the sealed proposal and choose successful bidder by taking into consideration land development and construction and the rental charge (g) the leasing agency authority shall issue a notice to the successful bidder chosen by the committee (h) the successful bidder shall enter into the land lease contract within 30 days after receiving the notice, pay the fixed rental charge, receive the certificate to use the land and register it. When he wants to postpone the signing of the

contract for unavoidable reasons, he should send application to the leasing agency 10 days before the date of expiry for postponement of 30 days. [sentence as received]

(i) In case a bidder fails in the bidding, the leasing agency shall notify him of the reasons for the failure within 5 days and return the guaranty money for bidding. No interest shall be paid on the guaranty money (j) if the successful bidder fails to enter into contract within the stated time, the bidding shall become null and void and the guaranty money shall not be returned.

Article 13. Land lease through auction shall be done as follows: (a) the leasing agency shall make public specifications of land, date and place of auction, procedures of auction, its standard price and other necessary items (b) the leasing agency shall put up the land to auction based on the standard price which was made public and decide the successful bidder who proposes the highest price (c) the successful bidder, after signing the land lease contract with the leasing agency, shall be issued with the certificate on the use of land and have it registered.

Article 14. The lessee shall have to use the land as stated in the contract of land lease. In case of changing the use of the land, the lessee shall sign an additional contract with the leasing agency on the change.

Chapter 3—Transfer and Mortgage of the Right To Use Land

Article 15. The lessee may, with the approval of the leasing agency, transfer (through sale, re-lease, donation and inheritance) or mortgage to a third party the right to use the whole or a part of the leased land.

In this case, the period of the transfer and mortgage shall not exceed the remaining period of lease.

Article 16. Only when the lessee pays the full amount of money for the right to use land as stated in the land lease contract and invests the share stated in the contract, he can sell, re-lease, donate and mortgage the right to use the land leased to him.

Article 17. In case the right to use land is transferred, the rights and obligations concerning the use of land and other structures and attachments therein shall be totally transferred to the person it is transferred.

Article 18. Sale of the right to use land shall proceed in the following manner: (a) the seller and the buyer shall make the contract of transfer and have it attested by notary public (b) the seller shall submit an application for the sale of the right to use land with a copy of commercial contract attached to the leasing agency for approval (c) the seller and buyer of the right to use land shall register the change in the title of the use of the land with the land administration agency.

Article 19. In case a lessee sells the right to use the land, the leasing agency has the preferential right to buy it.

Article 20. The lessee may re-lease the land. In this case, the lessee shall have to submit an application for the re-lease with a copy of land lease contract attached to the leasing agency for approval.

Article 21. The lessee may mortgage the right to use the land so as to get loan from a bank or financial institution. In such a case, architectural structures and other attachments therein shall be mortgaged together with land.

Article 22. The mortgagee and mortgagor of the right to use land shall have to enter into a contract of mortgage according to the terms of the land lease contract. In such a case, the mortgagee may ask the mortgagor for the land lease contract or a copy of transfer contract, a copy of the land usage certificate and information related to land.

Article 23. The mortgagee and mortgagor of the right to use land shall register at the Land Administration Agency the mortgaged right in less than 10 days from the date of the signing of the mortgage contract.

Article 24. The mortgagee may dispose of the right to use land held in-mortgage as well as structures and other attachments according to the mortgage contract in case that the mortgagor refuses to satisfy the claim even after the mortgage term expires or that the mortgagor's business has been dissolved or gone bankrupt during the term of contract.

Article 25. The mortgagee shall have the right to use land, structures and attachments therein notarized by a notary public, register the change of title with the registrar and use the land in accordance with the terms of the land lease contract.

Article 26. The mortgagor is not allowed to re-mortgage or retransfer the right to use land during the term of contract without the approval of the mortgagee.

Article 27. In case the land mortgage contract is terminated by the repayment of debt or other reasons, the mortgagor and the mortgagee shall have to cancel the registration of the mortgaged right to use land within 10 days.

Chapter 4—Rental and Usage Charges of Land

Article 28. The lessee shall pay the rent for the leased land to the leasing agency. The rent is the charge for the right to use land.

Article 29. If the leased land is already developed one, the leasing organ shall include the development cost in the rental charge.

The cost of land development includes the expenses for land rezoning, road construction, water supply and drainage, electricity, telecommunication and heating systems.

Article 30. The lessee shall have to pay the total sum of the rent within 90 days since the contract is signed.

The lessee may make payment by installments in five years under agreement with the lessor for those parts of land which are eligible for preferential treatment or the development of which has a high rent.

In this case, an appropriate interest must be paid on the defaulting part of installment.

Article 31. The lessee who has leased land through negotiation or auction shall pay guaranty money for the execution equivalent to 10 per cent of the rental charge within 15 days after the contract is signed. Guaranty money for the execution may be included in the rent.

Article 32. If one fails to pay the rent, he shall pay arrears equivalent to 0.1 percent of the delinquent amount of each day from the time it is overdue. And in case the arrears is not paid for over 50 days on end, the contract may be cancelled.

Article 33. The user of the leased land shall pay the land usage charge. The land usage charge for preferentially promoted sectors and investment projects in the free economic and trade zone may be lowered to a certain amount or it shall be exempted from the charge for a period of ten years.

Chapter 5—Return of the Right To Use Land

Article 34. The right to use land shall be automatically returned to the leasing agency when the term of lease expires. Structures and attachments shall also be returned gratis in this case.

In case that the term of land lease covers over 40 years, residual value of structures which have been built 10 years before the expiry date may be compensated.

Article 35. When the term of land lease comes to an end, the lessee shall return the certificate on the use of land to the agency which had issued it and have its registration cancelled.

Article 36. In case one wishes to postpone the term of land lease, he shall submit an application for the postponement to the leasing agency for approval 6 months before the date of expiry. In this case, the lessee shall have to re-enter into the land lease contract and have certificate to use land reissued through required procedures.

Article 37. When the term expires, the lessee shall withdraw structures, facilities and attachments at its own expenses and clear land according to the requirements of the leasing agency.

Article 38. The right to use the leased land shall not be cancelled during the period of lease. If the leasing agency wants to cancel the right to use land during the period of lease for unavoidable reasons, it shall have to consult the lessee on the case before 6 months and change it with other land of the same condition or make proper compensation.

Chapter 6—Penalty and Settlement of Disputes

Article 39. If one illegally uses land without a certificate, changes the use of land, transfer and mortgage the right to use land without permission, he shall be liable to a fine or structures constructed therein shall be confiscated, the land be made restored to its original state and the contract of transfer and mortgage be made null and void.

Article 40. If the lessee fails to invest more than 50 percent of the total sum to be invested, or to develop land as contracted, the right to use land may be confiscated.

Article 41. If a lessee is dissatisfied with the penalty, he may send an appeal or a petition to the upper body, or bring the case to the relevant court within 20 days from the receipt of the penalty notice.

Article 42. Disagreements arising in leasing land, transferring and mortgaging the leased land to a third party shall be settled through negotiation.

A case of dispute shall be settled in the court of law or arbitration agency of the Democratic People's Republic of Korea, and may be brought to the third country's arbitration agency for settlement.

Kim Chong-il Hailed as 'Bright Star of Paektu'

*SK0511092093 Pyongyang Korean Central
Broadcasting Network in Korean 2235 GMT 30 Oct 93*

[Unattributed talk: "May Korea's Bright Star of Paektu Shine Forever Like the Sun"]

[Text] Today our people, upholding the dear leader Comrade Kim Chong-il, are vigorously waging the struggle to consummate the chuche revolutionary cause, the socialist cause, under his leadership with firm faith in and optimism of victory. The desire and will to inherit and consummate the chuche revolutionary cause, upholding the dear comrade leader and under his leadership, took roots already during the anti-Japanese armed struggle. A revolutionary slogan discovered in recent years not only in the northern border area, including the Paektu secret camp, but also in other areas throughout the country prove this as vivid historical materials.

The dear leader Comrade Kim Chong-il has indicated: Revolutionary artifacts are historical evidence which personifies the revolutionary tradition, and they show the history of our party's glorious revolutionary struggle through vivid historic facts and materials. Therefore, they have very strong influence.

Revolutionary slogans show, above of all, the infinite joy and emotion of the anti-Japanese revolutionary fighters and our people who, greeting the birth of the dear leader Comrade Kim chong-il as the birth of a great leader [yongdoja] who succeeds the respected and beloved leader's revolutionary cause, were proud of the nation's great festive event. The anti-Japanese revolutionary fighters who had a thorough revolutionary view on the

leader greeted the birth of the dear comrade leader as the nation's great good luck and festive event.

The slogans discovered in Puyonbi of Sinhung County include the slogan, "Oh, Korea and fellow countrymen, we inform you of the birth of the bright star of Paektu." In addition to this slogan many other slogans which informed people of the birth of the dear comrade leader were discovered throughout the country. These slogans were "Oh, Korea! The bright start of Paektu was born;" "The bright star of Mt. Paektu, Korea's great luck, has risen;" "The nation's festive event, the bright star has risen on the top of Mt. Paektu;" "The birth of bright star of Paektu, which will succeed to the matchless patriot General Kim Il-song, is the Korean nation's great luck and the power of Korea's independence;" "Long live, the bright star of Paektu;" "All fellow countrymen, the bright star of Paektu, the power of Korea's independence, has come to Mt. Paektu with the spirit of Paektu;" and many other slogans.

The birth of the dear leader Comrade Kim Chong-il was our nation's felicitous event which upheld the brilliant guiding star in the skies of the fatherland along with the sun. It was also a historic event which declared the brilliant inheritance and consummation of the chuche revolutionary cause pioneered by the great leader. This was why the anti-Japanese revolutionary fighters regarded the birth of the bright star of Paektu as the brilliant ray of the Korean nation and as Korea's glory and the bright star of Paektu as the nation's pride and as Korea's dignity.

The dear comrade leader who was born amid our people's infinite blessing grew up, listening to the gun boom of the final battle for national liberation and majestic sound of the Paektu forests. The anti-Japanese revolutionary fighters looked forward a brilliant future of the fatherland and the nation, revering the dear comrade leader who inherited the great leader's tradition. They firmly believed the brilliant victory of the chuche revolutionary cause pioneered by the leader. The revolutionary slogans clearly show with historic facts that the thorough faith of the anti-Japanese revolutionary fighters and our people to consummate the chuche revolutionary cause to the end generation after generation, upholding the dear comrade leader as the great leader [yongdoja] of our revolution took deep roots already during the anti-Japanese revolutionary struggle.

Anti-Japanese revolutionary fighters had fought, fully leaving the destiny of the fatherland and the nation to the great leader and with their best loyalty to him. These fighters have been cherishing the firm and revolutionary faith and will to uphold the revolutionary cause of chuche generation after generation by entrusting the future of the fatherland and themselves to the bright star of Paektu. This was an awareness which proceeds from their firm conviction in the leader's [suryong] cause. This was also the lofty manifestation of pure, transparent, and clean loyalty to realize the cause to the end.

The slogans such as "The future of Korea is bright because the bright star is rising" and "Hurrah for the bright star," and the letters, including "The Bright Star, Which Rose Above Mt. Paektu, Is Embraced in the Fatherland's Bosom," "The Prosperity of the Fatherland Will Last Forever," "Let Us Demonstrate the Nation's Dignity with General Kim as the Supreme Leader, With Heroine as (?Madame), and With the Bright Star as Our Future," were discovered in Sangchang-ri, Musan County. These slogans and letters reflect our firm faith that the future of our revolution is very bright because we have the dear leader who has won victory after victory upholding the great leader. These slogans and letters also reflect the firm faith of anti-Japanese revolutionary fighters and our people who will fully entrust everything to the dear leader.

The letters, including "Let Us Traverse, Following the (?Star of Stars) of Paektu and Fighting Bloody Battles," "The Bright Star of Paektu of Korea, Shine Forever Like the Sun," "Sun of the Nation, General Kim Il-song, and (Star of Stars) Whom We Had Met While Fighting Bloody War, the Ray of the Sun Will Shine Forever" and "The Bright Star of Paektu, Which Will Succeed the Ray of the Sun, You Shine Forever," also reveal the revolutionary faith and will of anti-Japanese fighters and our people who will consummate the revolutionary cause of *chuche* to the end generation after generation by having the firm faith in the bright future of our revolution and by upholding the dear leader Comrade Kim Chong-il forever under any adverse situation.

These revolutionary slogan documents show as the vivid historic data the fact that the revolutionary faith and will of our people, who will uphold the dear leader with loyalty, did not spring up overnight and that such faith and will, however, are those which have firmly taken root deep in the heart of the Korean communists and people and staunchly found their place since the time of the anti-Japanese revolutionary struggle which provided the permanent corner stone of our revolution.

These immortal revolutionary slogan documents and immortal letters vigorously encourage the revolutionary struggle of our people who are vigorously advancing along the road of accomplishing the revolutionary cause of *chuche*, upholding the great leader Comrade Kim Il-song and following the leadership of the dear leader Comrade Kim Chong-il. As anti-Japanese fighters desire in such slogans and letters, our revolution is vigorously advancing along the track of *chuche* without the slightest vacillation and wavering.

During the grim anti-Japanese battle, anti-Japanese fighters, who are the first generation of our revolution, had walked and walked along the long road of our revolution, looking up at the bright star of Paektu which rose high above Mt. Paektu and cherishing the firm faith in the bright future of the revolutionary cause of *chuche*. Just as such anti-Japanese fighters had done, all of our people are vigorously struggling in order to further shine socialism of our own style with the burning faith to

accomplish the revolutionary cause of *chuche* to the end by following only the great leader and the dear leader.

Kim Chong-il Thanks Traffic Control Unit

*SK0511110893 Pyongyang KCNA in English 1017
GMT 5 Nov 93*

[Text] Pyongyang, November 5 (KCNA)—The dear leader Comrade Kim Chong-il sent thanks to members of the Pak Won-il's district group of the traffic control unit of the Pyongyang Municipal Security Department.

District group members controlling the crossroads of the capital are loved and respected by Pyongyang citizens for their dedication to traffic security.

At a meeting held to convey the thanks the speakers said that they should become true people's servants and public security men who devote their all to the interests of the people so as to add lustre to our-style socialist system centred on the masses.

Daily Urges Exaltation of Party Leadership

*SK0411133393 Pyongyang KCNA in English 1038
GMT 4 Nov 93*

["NODONG SINMUN on Endlessly Exalting Leadership Exploits of Party and Leader"—KCNA headline]

[Text] Pyongyang, November 4 (KCNA)—NODONG SINMUN in an editorial today stresses the need to continuously develop in depth the work of defending and glorifying the exploits of leadership of the party and the leader in conformity with the requirements of the development of the revolution and the prevailing circumstances.

The daily quotes the great leader Comrade Kim Il-song as saying:

"We must carry forward the glorious history and revolutionary traditions of our party, further enrich its fighting experiences, and consolidate and expand its achievements in struggle."

The editorial says:

The leadership exploits performed by our party and leader are unprecedented in their diversity, richness and profundity of their content and have an eternal vitality. They expound everything from the fundamental principles and guideline to be adhered to in the revolution and construction to the concrete tasks, orientation and ways to effect innovations in each field.

The editorial says that exalting the leadership exploits of the party and the leader at present is a most important requisite to firmly defending the lineage of *chuche* under any circumstances and resolutely safeguarding our-style socialism.

It goes on:

The imperialists and reactionaries now are viciously scheming to stifle and destroy our-style socialism, the precious gain of our revolution. At such a time we must wage a more vigorous struggle to firmly carry forward the lineage of *chuche* and, to this end, steadfastly defend the great leadership exploits of the party and the leader. They are, indeed, a lifeline linking the past, the present and future of our revolution by one blood vessel and an immortal wealth promising an eternal prosperity of our country.

The editorial stresses that when the vigorous struggle to glorify the great leadership exploits of the party and the leader is powerfully organized and waged in all domains and units of the revolution and construction, world-startling miracles and feats will be wrought constantly and a great victory be won in the struggle of our people to create the "speed of general march of our-style socialism".

South Korea

Preparations Underway for Japan-ROK Summit

Hosokawa Meets ROK Reporters

SK0511130793 Seoul YONHAP in English 1301 GMT
5 Nov 93

[Text] Tokyo, Nov. 5 (YONHAP)—Japanese Prime Minister Morihiro Hosokawa said here Friday evening that North Korea's nuclear transparency is a prerequisite to diplomatic normalization between Japan and North Korea.

"Unless the nuclear suspicion is cleared away, there will be no diplomatic normalization," Hosokawa said.

While meeting with South Korean correspondents at his official residence, the premier, noting that the Tokyo-Pyongyang normalization talks remain suspended for nearly one year, said Japan hopes that the talks will be resumed at the soonest possible date. He said the normalization talks could be resumed even at this stage when North Korea's nuclear suspicion remains unre-moved.

Premier Hosokawa said it is desirable to settle the North Korean nuclear issues through dialogue in multi-pronged ways.

"Efforts should be made to resolve the question mainly through dialogue without any action like an economic sanction so far as possible," Hosokawa said.

The Japanese premier who flies to South Korea on Saturday to have a summit with President Kim Yong-sam said that South Korea-Japan relations are as important as Tokyo-Washington relations. He said that when he meets President Kim at Kyongju on Sunday, they would open-heartedly discuss various bilateral issues like the Korean situation, North Korea's nuclear question, bilateral economic issues and the way to rectify trade imbalance.

On the issue of rice market opening, Hosokawa said that like South Korea, Japan regards rice as a time-honored culture apart from the aspect of its being an agricultural product.

"We are staging difficult negotiations with Western countries under the basic policy that we cannot accept the idea of tariffication without exception," the Japanese premier said.

Kim Yong-sam Meets Japanese Reporters

SK0411131993 Seoul YONHAP in English 1202 GMT
4 Nov 93

[Text] Seoul, Nov. 4 (YONHAP)—President Kim Yong-sam said on Thursday this is a high time for Korea and Japan to liquidate the problems of the past and embark on a new future-oriented bilateral relationship. He said that in Korea a civilian-led government has been born for the first time in 32 years and in Japan a non-Liberal Democratic Party government has come into being for the first time in 38 years.

The president made the remarks while meeting with Japanese correspondents at Chongwadae in connection with the Korea-Japan summit slated for this weekend.

According to the KYODO News Service, President Kim said North Korea is in a very difficult position over the nuclear issues following the recent near-unanimous adoption by the UN General Assembly of a resolution against North Korea. Saying that it is hardly predictable how the question would develop, President Kim said there is the need to watch the attitude of North Korea over a time.

The president said that at the upcoming summit, he would like to exchange opinions open-heartedly with Prime Minister Morihiro Hosokawa on how effectively to forge new bilateral relations and to contribute to peace in Asia and the world.

"I wish to deepen my firendship with Prime Minister Hosokawa and make it a good occasion to further develop our bilateral relations," President Kim added.

Envoy to Japan Returns for Summit

SK0511055093 Seoul YONHAP in English 0525 GMT
5 Nov 93

[Text] Seoul, Nov. 5 (YONHAP)—South Koreans should know the difference between words that come from the mouth and words that come from the heart regarding Japan's apology for its actions in the past, Ambassador to Tokyo Kong No-myong said Friday.

"It's a question of attitude. What good are words of apology if Japan doesn't really mean it?" Kong asked. "We should not care so much for the words, but whether they are sincere. We should know the difference. The way for the Japanese Government to act out its apology is for our countries to develop friendly relations of coexistence," Kong said.

The envoy has returned for the Seoul-Tokyo summit on Saturday, the first since new heads of state took office in both countries this year.

Prime Minister Morihiro Hosokawa is expected to deliver a clearer message of apology than his predecessors for the atrocities that Japan committed during colonial rule over Korea.

Hosokawa and South Korean President Kim Yong-sam initially planned to meet in Seattle during the Asia Pacific Economic Cooperation Conference later this month, but the Japanese prime minister chose to personally come to South Korea instead of seeing Kim in a third country.

The two leaders will meet in the ancient city of Kyongju for an official working summit.

The new Tokyo government is showing a clearer understanding of history, and Seoul views the meeting as South Korea's affirmation of the strength of its ties with Japan and the United States, Kong said.

"It will be a summit that can add momentum to Seoul-Tokyo relations," he said.

6 Nov Summit Previewed

SK0511084693 Seoul YONHAP in English 0701 GMT
5 Nov 93

[Text] Seoul, Nov. 5 (YONHAP)—Korean Ambassador to Japan Kong No-myong says that Saturday's summit between South Korean President Kim Yong-sam and Japanese Prime Minister Morihiro Hosokawa in Kyongju will be a turning point for the establishment of new relations after wiping away "the sediment of the past."

Kong, who has returned to Seoul ahead of Hosokawa's arrival, told reporters Friday he expects the Japanese prime minister to disclose his intention to help form a new Korea-Japan relationship based on his clear sense of history with regard to the unfortunate past between the two countries.

South Korea and Japan then will become partners in both name and reality, Kong said.

Asked to what extent he thought that Hosokawa was prepared to apologize to Korea for Japan's misdeeds during its colonial days, Kong said that what is important is attitude and historical recognition of facts and not what he is going to say.

Kong noted that Hosokawa has already defined Japan's military action during the World War II as "an aggressive war," and his definition was based on the recognition of his coalition government.

Kong said there was no pressing pending item between the two countries. The Kim-Hosokawa meeting, therefore, will be an occasion for the two leaders to build mutual trust on which they can go on to solve problems of the future.

Queried about the possibility of Japanese Emperor Akihito's visit to South Korea, Kong said it would be possible only when the South Korean people welcomed it and when his visit could become a symbol for friendly relations.

Visa Policy Eased for Japanese Tourists

SK0411061793 Seoul THE KOREA TIMES in English
4 Nov 93 p 3

[Text] The government has decided to allow Japanese tourists to visit South Korea without visas in the whole year of 1994, the Justice Ministry reported yesterday. A ministry official said the decision is one of measures to support "Visit Korea Year 1994," a campaign to attract more foreign tourists in commemoration of the 600th anniversary of Seoul as the capital city of Korea.

"From Jan. 1 through Dec. 31 next year, Japanese people wishing to visit South Korea for tourism purpose can come without visas for stay not exceeding 15 days," the official said. The ministry has been allowing no-visa entries for Japanese since last August to spur their visits to Taejon Expo. The no-visa allowance has resulted in an increase of 22.9 percent in the number of Japanese visitors to Korea he said.

Japanese visitors to Korea in the January-July period of this year numbered 696,000, a decline of 9.5 percent from the corresponding period of last year.

In the August-October period, however, the number was 487,000, a rise of 22.9 percent over the same period of last year, according to the official.

Team Formed To Round Up Kwangju Demonstrators

SK0511120393 Seoul YONHAP in English 1055 GMT
5 Nov 93

[Text] Kwangju, Nov. 5 (YONHAP)—The local prosecution and police here on Friday formed a joint investigation headquarters to round up those students who led Tuesday's violent demonstration at the American Center here.

The joint headquarters also intend to ferret out those students who have played leading roles in previous demonstrations and in unauthorized student contacts with North Korean students such as the exchange of messages by facsimile.

The joint probe team comprises three prosecutors and 10 investigators of the Kwangju District Prosecutor's office and 50 policemen of the South Cholla Province Police Administration.

So far eight students have been apprehended since the violent demonstration last Tuesday, of whom two were placed under arrest, one set free and three still under investigation. Arrest warrants were sought against two others.

The joint probe team plans to search two leading universities in Kwangju—Chonnam and Chosun Universities—to collect demonstration tools like placards and gasoline bottles and to arrest leading activities possibly hiding there.

The team was also searching for about 20 students who were known through video tapes, etc. to have taken in part in the violent demonstration at the American Center.

DPRK's Party Committee May Hold Meeting Mid-Nov

*SK0511053293 Seoul CHUNGANG ILBO in Korean
5 Nov 93 p 1*

[Text] According to information obtained from a government source on 5 November, there is a good possibility that North Korea will hold the 21st Plenary Meeting of the Sixth Central Committee of the Workers Party of Korea [WPK] around mid-November, to decide on major policies regarding reorganization and the nuclear issue.

The source says: North Korea is known to have been preparing for the 21st plenary meeting recently following the 20th meeting held on 10 December 1992. As the situation of the nuclear issue is becoming acute, important decisions are expected to be made at the meeting.

Considering that the plenary meeting of the WPK Central Committee has discussed such issues as reorganization and policy decisions, it is believed that the issues of reorganization and personnel changes concerning the successor; adjustment of international stance on the recent nuclear issue; and the Third Seven-Year Plan that ends this year, will be discussed at the forthcoming meeting. Particularly, a diplomatic reshuffle regarding the resolution toward the North adopted at UN General Assembly on 2 November is expected to follow. North Korea announced a major reshuffle in the 20th plenary meeting of the Sixth WPK Central Committee held on 10 December 1992, replacing those who emphasized opening, including the replacement of the then-premier Yon Hyong-muk with Kang Song-san.

DPRK Military Reportedly Toughens Discipline

*SK0511045393 Seoul YONHAP in English 0439 GMT
5 Nov 93*

[Text] Seoul, Nov. 5 (YONHAP)—North Korean soldiers have been ordered to keep their hair short enough to meet regulations in a move apparently aimed at strengthening discipline in the military, according to military officials. All soldiers in the rear as well as on the front line were told to have their hair cut around Oct. 20

as the communist regime started to make the Army battle ready and strengthen military discipline, the officials said Friday.

The Stalinist country is reportedly not only stricken with extreme food and energy shortages but also frustrated by heavy international pressure following its rejection of nuclear inspection by the International Atomic Energy Agency (IAEA).

There is fear of rioting by the poor in North Korea, where industry is operating at just 45 percent of capacity because of difficulty getting energy since the collapse of the Soviet Union, according to North Korea watchers here.

Complaints against party members, who account for a mere 30 percent of the total population, over little food are said to be mounting.

There was fear at the South Korea-U.S. Security Consultative Meeting on Thursday and at the defense ministers' talks that the communist country, because of internal instability, might provoke a risky attack out of miscalculation.

"North Korea's order for soldiers to have their hair cut has a sanitary reason and may be to differentiate soldiers from the civilian population, but it also reflects the authorities' aim to enforce military discipline and heighten battle preparations," the officials said.

"Studying North Korea's situation of the recent past, we predict tensions to rise on the Korean peninsula sometime between this year-end and the early months of next year and we have made all the necessary preparations," they said.

North Korean soldiers are obliged to keep their hair short under standing regulations that had previously been much neglected.

Seoul and Washington diagnosed a looming threat from North Korea's inner instability at their 25th security talks and decided to beef up military preparations.

DPRK Party Official Cited on Nuclear Issue

*SK0511043493 Seoul SISA JOURNAL in Korean
4 Nov 93 pp 8-9*

[Article by American nuclear expert (Peter Hayes) on remarks regarding North Korea's nuclear issue made by Kim Yong-sun, secretary of the Central Committee of the Workers Party of Korea and vice-chairman of the Committee for the Peaceful Reunification of the Fatherland, in Pyongyang on 16 October]

[Text] "North Korea will remain in the Nuclear Nonproliferation Treaty [NPT] only if the issue of transferring technology of light-water moderated reactors [LWRS] is resolved," Kim Yong-sun, secretary of the Central Committee of the Workers Party of Korea and vice chairman of the Committee for the Peaceful Reunification of the Fatherland, told this writer in Pyongyang on 16 October.

Kim Yong-sun added that "if this issue is not solved, North Korea will have no choice but to develop LWRS technology on its own." Such remarks made by Kim Yong-sun mean that North Korea will withdraw from the NPT if the situation goes contrary to its wishes.

Kim Yong-sun's remarks give the impression that his country intends to easily acquire assurances from the United States that it will transfer LWRS technology to North Korea, rather than attempting to acquire the LWRS technology by any other means. North Korea does not care which country provides the LWRS technology, be it the United States, Russia, Japan, or the ROK. And yet, North Korea wants the United States to provide the LWRS technology. [sentence as published] North Korea believes that if the United States provided it with the LWRS technology, this would be conducive to eliminating international political and legal obstacles blocking the transfer of technology to North Korea as stipulated in the Coordinating Committee for Export Control to Communist Area [COCOM] and the U.S. "law on regulating hostile countries."

It is realistically difficult to transfer LWRS technology

Of course, it will be impossible for North Korea to receive assurances that the transfer of LWRS technology will take place. Atomic energy companies in the United States no longer manufacture LWRS. Furthermore, it will be difficult for the United States to take the initiative of transferring the technology to North Korea or providing financial support for it. The reason for this is that in the event U.S. atomic energy companies provide financial support to North Korea, the U.S. Export and Import Bank, which would financially guarantee them, would encounter financial difficulties due to its excessive loans.

In particular, other U.S. civilian banks would refuse to provide financial support to North Korea until it readjusts the redemption terms of its \$5 billion foreign debt. The U.S. Government cannot solve these problems, either.

The main aim of North Korea's challenge to the International Atomic Energy Agency [IAEA] is either to normalize political and economic relations with the United States or to at least increase [kyoksang] them so that it can improve relations with the rest of the world. For North Korea, the nuclear issue is an ideal "hammer" to eliminate the political and legal obstacles hindering trade and investment with the United States and assistance to North Korea. The main benefit North Korea could obtain by threatening the NPT and the IAEA is that it would have a potentially pervasive effect on the United States.

North Korea has imposed two burdens on the Clinton administration by threatening to produce nuclear weapons: The first burden is that North Korea's nuclear development program can lead Japan and the ROK to join the nuclear race and, thus, can break up the U.S. security strategy toward East Asia. The second burden is that North Korea's threat of withdrawing from the NPT can weaken the talks scheduled for 1995 to discuss the matter on whether the terms of the treaty will be extended.

However, along with this, it seems that the North Korean leadership wants to strengthen trade and investment activities with the outside world under strict controls. Kim Yong-sun stated that "here lie important interests for the United States."

Kim Yong-sun stated: "The United States should know that if the present stalemate in solving the nuclear issue of the Korean peninsula continues, Japan's militarism and an overall arms race in Asia will be accelerated and, furthermore, this will have an adverse effect on the 1995 talks to discuss the expansion of the NPT." It may be a foolish act for a small, isolated country, such as North Korea, to have a confrontation with the international community over the nuclear issue. However, Koreans tend to take risks, and because of this they always advance toward insolvency.

North Korea still lacks the ability to digest large-scale investments and assistance. North Korea also lacks public works overhead capital. Therefore, if and when North Korea rapidly increases exchanges with the outside world, its society will be headed to a collapse. This is why North Korean leaders want minimum assistance and investments from the outside world. North Korea is well aware of the effectiveness of its nuclear card. North Korean leaders are well aware that the large-scale internal adjustment of the North Korean society is totally impossible before relations with foreign countries are improved. Achieving the latter's aim is precisely the essence of North Korean leaders' nuclear strategy.

In a bid to achieve this aim, North Korea will allow an ordinary inspection [tongsang sachal] of the nuclear facilities that have already been reported to the IAEA. Kim Yong-sun told this writer on 16 October that "an ordinary inspection is needed for everyone."

First, North Korea is well aware of the fact that allowing inspections of the reported nuclear facilities and observing the nuclear safeguards agreement is an indispensable requirement for the U.S. negotiations. North Korea will probably allow within several days IAEA inspection members to replace film and other equipment installed to monitor the nuclear facilities in Yongbyon.

Second, North Korea is expected to continue the dialogue with the ROK regarding overall security and bilateral matters, including nuclear inspections on the Korean peninsula.

Third, North Korea is expected to draw a clear line on the demands for a special inspection of some nuclear facilities that the IAEA has said are in question thus far. North Korea regards allowing a special inspection as an infringement upon its sovereignty. The IAEA and North Korea are expected to reach an agreement by limiting IAEA inspection members to inspect the 5-megawatt nuclear reactor core in Yongbyon, whose fuel resupply date has been delayed for a long time, and to take samples.

Lastly, North Korea seems to maintain the option of developing nuclear weapons with the present 200-megawatt graphite pile, graphite moderated reactor. It is likely that

North Korea will not renounce to this option even if U.S.-North Korean negotiations over the issue of transferring technology of light-water moderated reactors to North Korea are settled. North Korea believes that maintaining its own atomic reactors, even though it receives the inspections in line with the nuclear safeguards accord, it can prevent its atomic industries from being retreated.

In addition to its domestic affairs, North Korea is also greatly concerned about the triangle relations among Japan, Russia, and the ROK and military cooperation between the ROK and Russia. In particular, North Korea is afraid of Russia's strong military capabilities.

Kim Yong-sun said: "There is no reason whatsoever for North Korea and the United States to confront each other. There is no permanent enemy or friend in the international community. The Korean peninsula is a small country surrounded by big powers."

Many Cold War-oriented people say that the improvement of relations with North Korea is very far away. But, this is not correct.

The United States and North Korea will soon turn their hostile relations into relations of "constructive engagement." It is clear that U.S.-North Korean high-level talks to be held next time will make a breakthrough, and they will be probably take place sometime in the end of November or early December.

North Korea is expected to remain in the NPT and to allow inspections of its nuclear facilities in return for the U.S. efforts to normalize political and economic relations with North Korea. North Korea is also expected to receive surveillance by the nuclear safeguards accord system and to operate its own nuclear reactors until it receives light-water moderated reactors (probably from the ROK).

The logic on all these developments in this region can be found in Kim Yong-sun's remark that "Maintaining U.S. influence in this region is in line with the interests of both the United States and North Korea."

DPRK Speeds Openness Through Legislation

*SK0411073393 Seoul CHUNGANG ILBO in Korean
3 Nov 93 p 2*

[Text] North Korea recently legislated the customs tariff law and the immigration law. It also increased considerably the number of foreign banks with which it does business. It, thus, strengthened the foundation for opening itself to the outside world.

In October 1992 North Korea adopted three laws related to opening to the outside world, including the foreigners' investment law. It also adopted as a follow-up measure the foreign exchange control law, the tax law, and the law on free economic and trade zones in January 1993.

The customs tariff law and the immigration law were enacted in order to support the other aforementioned laws.

The customs tariff law and the immigration law contain regulations necessary for facilitating activities of businesses participating in investments, activities of these businesses' employees, and export and import of commodities.

North Korea has also recently increased foreign correspondent banks of the Korean Joint Venture Bank to 21. The Korean Joint Venture Bank is responsible for lending funds to joint venture companies.

The National Unification Board [NUB] and the Korea Trade Promotion Corporation [Kotra] reported on 3 October that the Korean Joint Venture Bank had done business with 10 banks, including the Japanese Asikaga Bank, up to early this year. The NUB and the Kotra added that the Korean Joint Venture Bank made arrangements for deposits and remittances with the British Lloyd Bank, the Thai Bangkok Bank, and the Canadian (Domini) Bank, thus increasing its correspondent banks to 21.

These arrangements aim at facilitating remittance by overseas compatriots and fund-raising by some 100 joint venture companies with foreigners.

Although North Korea's economic cooperation with the West is stalled due its nuclear issue, such measures taken by North Korea indicate that it has a strong will to open itself to the outside world.

Inter-Korean Trade Increases for Third Month

*SK0511055293 Seoul YONHAP in English 0529 GMT
5 Nov 93*

[Text] Seoul, Nov. 5 (YONHAP)—Inter-Korean trade increased for the third successive month in October. Trade, Industry and Energy Ministry officials said on Friday. South Korea purchased 15,365,000 dollars of North Korean products and sold 1,533,000 dollars of goods to the North in October. Trade in October was 42.2 percent larger than the same month last year.

In spite of the increase, inter-Korean trade in the first 10 months of this year dropped 5.1 percent from the same period of last year to 173.31 million dollars.

Purchase by the South of such items as gold ingots, zinc ingots and billet soared 81.5 percent from the same period last year.

Purchases of textiles and alcoholic drinks increased while those of agricultural and fisheries products, chemical goods and construction materials fell.

North Korea Tries To Order South Textiles

*SK0511031293 Seoul YONHAP in English 0154 GMT
5 Nov 93*

[Text] Seoul, Nov. 5 (YONHAP)—North Korea is trying to place orders with South Korean companies for gifts to be given to students on April 15, 1994, for the 82nd birthday of President Kim Il-song, business sources said Friday.

The orders, placed through Chinese and Singaporean brokers, are for 15,000 tons of polyester staple fiber, worth 15 million to 20 million U.S. dollars, for making student uniforms. Because of uncertainty over North Korea's ability to pay, however, most South Korean firms are reluctant to accept the orders and only Kohap Ltd. and Sunkyoung Ltd. are positively considering them, according to the sources.

North Korea wants to pay in kind, they said.

North Korea has bought polyester staple fiber from China, Taiwan and Singapore over the years, but it wants to shift the source to South Korea because China's entire output is needed for internal demand and because Taiwan's polyester staple fiber mill recently burnt to ashes, they added.

An official at Lucky-Goldstar International Corp. said his company was offered a North Korean order but turned it down because it was uncertain if Pyongyang would be able to pay. That North Korea wants to import relatively expensive South Korean material, instead of cheap Southeast Asian material, indicates that it wants to barter, but it is doubtful that it has anything to offer that a South Korean company would want, he added.

Son Says Deng Xiaoping in 'Very Good Condition'

*SK0511002793 Seoul YONHAP in English 0010 GMT
5 Nov 93*

[Text] Seoul, Nov. 5 (YONHAP)—Deng Pufang, the eldest son of China's supreme leader, Deng Xiaoping, arrived in Seoul on Thursday for a ten-day visit to South Korea that will include a meeting with President Kim Yong-sam. Deng, 49, chairman of the China Disabled Persons' Federation, is paying the visit at the invitation of the Korean Society for Rehabilitation of Persons With Disabilities.

"I had always wanted to visit South Korea," Deng told reporters. "I am very happy to be here, especially because I will have a chance to introduce a Chinese disabled persons' performing troupe."

Deng said he hopes to help settle continuing exchanges between groups of disabled persons organizations of the two countries. He plans to discuss problems of disabled people when he meets with President Kim, he added.

In addition to his meeting with the president, Deng is scheduled to hold talks with Korean businessmen and tour industrial plants.

Asked about the health of his father, Deng said, "he is in very good condition."

Deng Pufang was paralyzed when he suffered a spine injury at the hands of Red Guards during China's cultural revolution, but he is said to exert considerable influence as the leader of an organization formed by the first-generation offspring of China's old revolutionaries.

The 51-member Chinese disabled persons' troupe is scheduled to arrive in Seoul on Friday to perform three times in Seoul and Ulsan.

Accord Signed on Disabled Persons

*SK0511091293 Seoul YONHAP in English 0653 GMT
5 Nov 93*

[Text] Seoul, Nov. 5 (YONHAP)—South Korean and Chinese organizations for the disabled concluded an agreement Friday on cooperation to promote their welfare based on last year's ESCAP declaration of the second decade of the disabled.

Cho Il-muk, president of the Korean Society for Rehabilitation of Persons With Disabilities, and Deng Pufang, chairman of the China Disabled Persons' Federation (CDPF), signed the agreement at the Hilton Hotel in downtown Seoul.

The two organizations agreed on joint efforts to accomplish the objectives of the decade of the disabled and to promote bilateral exchanges of information and personnel in various fields, including rehabilitation, education, profession and culture.

The United Nations recommended in 1983 that every country in the world make efforts and draw up plans to promote the welfare of the disabled by declaring 1983-1993 the decade of the disabled.

The Economic and Social Commission for Asia and the Pacific (ESCAP), finding the welfare of the disabled in the Asia-Pacific Region still far behind that of advanced countries, declared a second decade in its Beijing meeting last year.

S&T Cooperation Agreement Signed With PRC

*SK0511100793 Seoul YONHAP in English 0917 GMT
5 Nov 93*

[Text] Beijing, Nov. 5 (YONHAP)—South Korea and China shook hands on a momentous science and technology cooperation pact Friday that includes the joint development of a multipurpose, low-orbit satellite.

Science and Technology Minister Kim Si-chung and his Chinese counterpart, Song Jian, agreed in the first meeting of the Korea-China Science and Technology Joint Committee in the Chinese capital to make headway on the bilateral science and technology agreement signed Sept. 30.

Kim and Song discussed progress on executing the cooperation blueprint and shared the view that they should get started this year with joint development of a small multipurpose, low-orbit satellite, aircraft design and testing technology, medical lasers, computer-aided restoration of cultural relics, and improving the productivity of a mine in Ankang, Shaanxi Province.

Joint development of the satellite is expected to pave the way for a Sino-Korean partnership in defense industry as it can be converted into a spy satellite.

Meeting with reporters earlier, Kim said that after having inter-ministerial discussions the government would begin to actively import advanced technology designed for both industrial and defense uses.

Modern technology like computers and satellites can be turned to military use and Korea will strictly observe the international norms as a member of the Coordinating Committee for Multilateral Export Controls (COCOM) without provoking a misunderstanding or friction with its allies in pursuing the project, Kim said.

Korea is seeking cooperation in the latest technology with not only its traditional allies, but also with Russia and China, which are advanced in the area, he said, without giving details. He said the government will seek brains from abroad to promote the industry.

It is estimated that there are 5,000 ethnic Korean scientists in major advanced technology fields active in China, including one who is a senior rocket designer.

Diplomatic sources said that Korea and China had agreed on an atomic energy cooperation pact in principle, but decided to delay its signing in view of the delicacy of timing. It could cause a misunderstanding as the North Korea nuclear problem is an international matter.

In a tete-a-tete before the committee meeting, the ministers agreed on the need for a pact but decided to put it off under the circumstances.

They saw room for mutual cooperation in the reactor field as China can supply heavy water, which is the main fuel for Korean reactors, enabling Korea to secure sufficient fuel by diverting its imports with a long-term trade partnership with China.

Korea purchased 110 tons of heavy water from China for the second reactor in Wolsong, scheduled to be built in June 1997, for some 2,000 U.S. dollars a ton [as received] in international bidding in July.

China has accosted Korea for a nuclear energy partnership even before the two normalized diplomatic ties last year and Seoul has long considered the idea as it gives Korea leverage to get lopsided ties with Western advanced countries in the nuclear field rectified, but shelved the matter as the time is inopportune in view of the North Korea nuclear problem and because it needs prior close consultations with allies like the United States.

Diplomatic sources predict a pact between South Korea and China once the North Korean nuclear issue is resolved and Pyongyang and Washington improve bilateral relations.

Sino-Korean cooperation in nuclear energy may be not only in the reactor sector but could develop into closer and wider partnership in the field, they say.

China is said to be more advanced in basic nuclear energy technology such as in radioactive isotopes and heavy water, while Korea is relatively superior in reactor design, construction, management, and safety technology.

A joint statement in a protocol-like format issued after the science and technology committee meeting said the two countries had agreed on cooperation and investment in the automobile, TDX electronic telephone exchange and high-definition television fields and on a stronger partnership in numerical control machinery, press welding technology, computer hardware and software, maritime resources, oriental medicine and the atmosphere.

They agreed to exchange 20 technicians and 50 scientists to train in each other's country and encourage the joint venture between Korea's KTB Consulting Co. and China's sinotechmart to start before the end of this year.

It was decided to set up a Korea-China Air Research Cooperation Center on Saturday at Beijing University like the one established last month at the Korea National Teachers' University to strengthen joint efforts to reduce pollution, acid rain and yellow sand.

They anticipated a greater flow of information on science and technology since Friday's opening of the Korea-China Science and Technology Cooperation Center in Beijing.

Kim stays in China until Sunday to meet with Deputy Prime Minister Zhu Rongji and visit an atomic energy research institute in Tianjin.

Government, PRC To Develop Ceramic Engine

*SK0511035193 Seoul THE KOREA TIMES in English
5 Nov 93 p 3*

[By Korean Press Corps]

[Text] Shanghai, China—South Korea and China have agreed in principle to undertake joint development of a ceramic engine for compact cars expected to be commercialized around the end of this decade. The agreement was reached Wednesday between visiting Korean Science-Technology Minister Kim Si-chung and managers of the Chinese state-run Institute of Ceramics.

Leading a Korean delegation, Kim is visiting China to attend the first meeting of the Korea-China Joint Committee on Science and Technology to be held in Beijing today.

The ceramic engine with a potential to be used for cars developed by the Chinese institute is now under test for its commercialization, according to a spokesman for the Korean delegation.

Kim and institute officials also agreed to exchange researchers in the new materials engine and to undertake joint development projects.

Following the first joint committee meeting at the Great Hall of the People in Beijing, Minister Kim will join in an opening ceremony for the Korea-China Scientific and Technological Cooperation Center.

Kim is scheduled to meet with his Chinese counterpart Song Jian, chairman of the State Science and Technology Commission, and Chinese Deputy Prime Minister Zhu Rongji and discuss upgrading technological cooperation between the two countries.

Joint Team To Survey for Nuclear Contamination

*SK0511033293 Seoul YONHAP in English 0203 GMT
5 Nov 93*

[Text] Moscow, Nov. 4 (YONHAP)—South Korea and Russia agreed to form a joint inspection team on radioactive contamination of the East Sea (Sea of Japan) together with Japan by January next year during two days of bilateral talks on Russia's nuclear dumping in the area from Wednesday.

Experts from the three countries and global organizations such as the International Atomic Energy Agency (IAEA) will conduct studies for 25 or 28 days, Cho Won-il, director-general of the Foreign Ministry's International Economic Affairs Bureau and Seoul's chief delegate to the talks, told reporters Thursday.

Russia will supply a 4,000-ton survey vessel and other needed facilities for the study, while Korea and Japan will equally bear the estimated cost of 450,000 U.S. dollars.

During the meeting the Russians explained that great amounts of liquid nuclear waste from the Pacific Fleet had reached saturation point at its storage facilities, Cho said.

An aide to president Boris Yeltsin recently said in a newspaper interview that Russia was poised to dispose of 800 cubic meters of nuclear waste at sea.

Succumbing to international protests, Russia had canceled its second dumping after it pumped 900 cubic meters into the East Sea last month. But nobody can tell when Russia will dump the second load because of the unavoidable circumstances, as explained by the presidential aide.

Moscow said it needs about 10 million dollars to build a facility to solidify the liquid waste and asked for financial support from Seoul, Cho said.

The Korean delegate said that he told the Russians that their proposal must be discussed in the government. The financial burden-sharing is also being talked between Moscow and Tokyo.

Korea and Russia also agreed to investigate the dumping practices of the Soviet Union and regularly exchange information on the matter, Cho said.

EC Issues Report on Anti-Dumping Rulings

*SK0411132693 Seoul YONHAP in English 1209 GMT
4 Nov 93*

[Text] Seoul, Nov. 4 (YONHAP)—South Korea turned out last year to have suffered the third largest number of anti-dumping rulings by the European Community (EC) after China and Japan.

An EC's annual report on anti-dumping control programs obtained by the KOTRA's [Korean Trade Promotion Corporation] Brussels office on Thursday said South Korea was dealt 13 anti-dumping rulings by the EC last year, while the number was 21 for Japan and 20 for China.

A KOTRA official said that the EC has been putting additional Korean products to the list of items subject to anti-dumping investigation since 1988.

The number of Korean items investigated were five in 1988 and the list was increased by one in 1989, five in 1990, one in 1991 and further by three last year.

"The EC's anti-dumping control, initially limited to textile and garments, has since spread to involve such high-tech items as VCR's and semi-conductors," the official said.

Company To Build Plant in Saudi Arabia

*SK0411053593 Seoul THE KOREA TIMES in English
4 Nov 93 p 8*

[Text] Korea Heavy Industries & Construction (KHIC) won a contract to build the largest desalination plant in the world and a 500-megawatt power station from Saudi Arabia.

According to a company spokesman, KHIC President Yi Su-kang signed the contract for the project worth \$1.040 billion (900 billion won) with Saudi Minister of Agriculture and Water Resources 'Abdal-Rahman al-Shaykh in Riyadh Tuesday.

With the forming of a consortium with Bechtel of the United States and ABB of Sweden, KHIC took part in an international bidding for the project, the largest of its kind, as the prime contractor.

Six other world-renowned enterprises competed against KHIC which specializes in power generating facilities. Among them were Mitsubishi and Hitachi of Japan and Alstom of France. The desalination plant and power station will be built near Jeddah on the Red Sea. Their construction is scheduled to be completed in 1998.

When the desalination plant goes into operation, it will supply 455 million liters of water daily to some 200,000 people living in Mecca, Jeddah and Taif. KHIC will solely supply all facilities for the construction of the desalination plant, the spokesman said.

The power station featuring steam turbines will be jointly built by the three companies. Specifically, KHIC

will take charge of processing and assembling, Bechtel engineering and ABB heavy electrical equipment.

The desalination plant will raise the daily supply of potable water in Saudi Arabia to some 3.6 billion liters, the spokesman said.

Government To Maintain Closed Rice Market

*SK0511090093 Seoul YONHAP in English 0752 GMT
5 Nov 93*

[Text] Seoul, Nov. 5 (YONHAP)—There is no change in the government's policy of not opening Korea's rice market through tariffication, a minimum market approach or any other means, Agriculture, Forestry, and Fisheries Minister Ho Sin-haeng said Friday.

While it is government policy to liberalize imports of some of the 14 non-trade concern (NTC) farm products through tariffication, it is out of the question to tarifficate every item, Ho told a press conference.

Some priority items will be excepted from tariffication and others will be tarifficated with conditions, and beef, barley, red pepper, garlic and onion are being considered as exceptions to tariffication, he added.

The government has not yet submitted a farm market opening plan to the General Agreement on Tariffs and Trade (GATT), and this is a problem to settle not with the GATT but with the United States as it is directly pressing Korea to open its market, Ho said. He added that the government would submit an outline farm market opening plan to the GATT by Nov. 15.

Former Government Official Arrested 4 Nov

*SK0511040393 Seoul THE KOREA TIMES in English
5 Nov 93 p 3*

[Text] A total of 24 people, including a former government official, have been arrested and 19 others put on the wanted list in one of the biggest narcotic-related busts in recent history.

Investigators of the Incheon District Prosecutor's Office also confiscated 49 items used for manufacturing methamphetamine, commonly known as philopon, at a makeshift facility in Yangpyong, Kyonggi-to. Confiscated along with the manufacturing apparatus was 62 grams of methamphetamine.

They said the arrest was made yesterday after raiding the factory which is believed to have produced 18 billion-won worth or 5.4 kilograms of methamphetamine since Sept. 28.

Among the arrested were Yi Chae-tok, 38, who allegedly acted as a middleman in distributing the drug all over the country. The 24 are facing charges of violating the Psychotropic Drugs Control Law.

The investigators said they booked two others without physical detention and placed 19 more, including Yi Wan-sik, 38, a former Seoul City official, on the wanted list.

According to initial investigations, the 45 people involved set up temporary manufacturing facilities in Yangpyong and Uijongbu, also in Kyonggi-to, and produced 5.4 kilograms of methamphetamine until Oct. 11.

There has been major cases of drug smuggling but this was one of the rare instances when methamphetamine was actually found to have been produced domestically, the investigators said.

They said there is believed to be a large number of other operations for producing the psychotropic drug, calling for more intensive investigations to terminate the business.

The group of 45, led by the former Seoul City official, is presumed to have set up a nationwide distribution network with headquarters in Seoul and Pusan, the prosecution investigators said.

Price of Taekwang Shares Sets New Record

*SK0511054993 Seoul YONHAP in English 0424 GMT
5 Nov 93*

[Text] Seoul, Nov. 5 (YONHAP)—The first 300,000-won (371 U.S.-dollar) share appeared on the Korean Stock Exchange on Friday morning like a bolt of lightning. Taekwang Industrial Co. shares had already risen by their day's limit of 6,000 won at 10:30 [AM], halting at 304,000 won just 18 months after breaking the 200,000-won barrier on May 18 last year.

Taekwang, unarguable leader among blue chips, had marked time at around 210,000 won until last month, but sailed to the daily ceiling with the stress on the intrinsic value of industry since all financial transactions were transferred to real names.

It rose by the price limit each day since Oct. 27 and securities experts and stockholders say the textile and electronics manufacturer deserves its position on the exchange.

Its net worth per share is 387,700 won and the reserve rate by the time of semiannual settlement was over 7,000 percent. A 30-percent cash dividend was approved at last month's shareholders meeting and all agree that no company can beat Taekwang in profitability and security.

Taekwang has 1,107,000 shares on the market, of which 36.8 percent are held by giant stockholders. The rest of these highbred shares are tightly held by institutional investors and a small number of experts, and no one is selling.

Federation of Industries Predicts Recovery

*SK0511070093 Seoul YONHAP in English 0620 GMT
5 Nov 93*

[Text] Seoul, Nov. 5 (YONHAP)—The Federation of Korean Industries (FKI) predicted Friday that the

nation's economy will continue its gradual upward trend in November, but said investment in plant and equipment will remain sluggish.

The federation said it based its prediction on a survey of the 500 largest mining and manufacturing enterprises.

It said the country's exports of electronic products, automobiles, ships and others will be bullish because of the favorable international trade climate, including the rising value of the Japanese yen. But capital investment by industries—other than automobile and electronics—which had been expected to show a slight sign of recovery, continued to be sluggish because of a worldwide business slowdown and murky recovery prospects for the domestic economy, the federation said.

Government Plans Imports To Stabilize Prices

SK0411041793 Seoul THE KOREA TIMES in English
4 Nov 93 p 8

[Text] The government plans to import garlic, onions, salt and hairtails whose prices have shown marked increases recently because of a sharp drop in production. Under the plan, 5,000 tons of garlic, along with 3,000 tons of onions, 1,000 tons of hairtails and 70,000 tons of salt, will be imported by the end of this year. Additional imports will be made if shortages of those products linger on.

The emergency decision to import the products came amid reports that the nation's price stability is threatened by poor harvests and the sudden implementation of the real-name financial transaction system.

According to the Economic Planning Board, consumer prices posted a gain of 5.4 percent in the first 10 months of this year, exceeding the government inflation target of 5 percent.

Deputy Premier-Economic Planning Minister Yi Kyong-sik yesterday convened an emergency meeting of economic ministers to map out anti-inflation steps.

The ministers shared the view that it is inevitable to allow imports of some farm products whose harvests have been hit hard due to an unusually cool weather in the past summer.

At the end of October this year, onion prices have more than doubled over last year's end with those of garlic and hairtails rising 34 percent and 68 percent, respectively.

In the meeting, the ministers agreed that the government will devote top priority to ensuring price stability in its economic policy management.

Macroeconomic anti-inflation steps discussed yesterday called for growth in the total money supply known as M2 to be controlled at proper levels.

The EPB hinted that the government may slow the pace of fiscal spending in order to dampen growing inflationary pressure.

Other measures envisioned curbing wage increases below productivity growth and a government crackdown on real estate speculation.

The government will also exert every effort to curb price increases of manufactured goods by asking the business community to share the burden.

The EPB said both public and personal service charges won't be allowed to rise until the end of this year in consideration of their psychological impact on inflationary pressure.

1980 Media Mergers Said 'Done Under Coercion'

SK0311131193 Seoul YONHAP in English 0725 GMT
3 Nov 93

[Text] Seoul, Nov. 3 (YONHAP)—A vernacular daily said Wednesday that it has obtained all of the original memorandums written by the owners of 45 print and electronic media organizations in November 1980 in which they gave up their businesses for rearrangement of media organizations. The CHUNGANG ILBO called the documents "clear" evidence that the mergers and closures of media were done under coercion and threats by the so-called new military elite, led by Gen. Chon Tu-hwan.

The 52 letters, bearing the thumbprints of the media owners, were given to the newspaper by Kim Ki-chol, 58, formerly a public relations researcher of the Culture and Information Ministry who worked with the Defense Security Command's task force for media rearrangement on temporary assignment, the daily said.

The task force was headed by Army Warrant Officer Yi Sang-chae, now a lawmaker with the ruling Democratic Liberal Party.

Kim said he had kept the memorandums since January 1981, when the team was dismantled, according to the paper.

The handwritten letters followed verbatim a text prepared by Ho Man-il, public information officer at the Culture-Information Ministry, on Nov. 11, 1980, according to the CHUNGANG. In the memorandums, the media owners pledged in unison not to raise any objection in any form to any action taken against their newspapers, news agencies or broadcasting businesses. Under the media rearrangement plan, owners of 45 print and electronic media sold 52 businesses at prices set by the government-run Korea Appraisal Board.

The Defense Security Command was set to take investigative and judicial action against anyone who refused to write a memorandum, the newspaper quoted Kim as saying. Anti-espionage agents from the command visited the media owners to force them to write the letters.

Brunei, Malaysia & Singapore

Malaysia

UMNO Elects Three New Vice Presidents 4 Nov

*BK0411135493 Kuala Lumpur BERNAMA in English
1315 GMT 4 Nov 93*

[Text] Kuala Lumpur, Nov 4 (OANA—BERNAMA)—Chief Minister of the southern Johor State Muhyiddin Yassin, Defence Minister Najib Razak, and Selangor State Chief Minister Muhammad Taib were elected vice presidents of the United Malays National Organisation (UMNO), a major component of the ruling National Front coalition, at the party election here Thursday.

Muhyiddin, 46, garnered 1,413 votes, 40 year-old Najib 1,202, and Muhammad, 48, obtained 1,189.

Incumbent vice presidents Foreign Minister Abdullah Ahmad Badawi and Agriculture Minister Sanusi Junid obtained 927 and 525 votes respectively in the keenly fought contest.

The election of Muhyiddin, Najib, and Muhammad—second-echelon leaders who contested under the banner of the wawasan (vision) team—has resulted in a clean sweep for the team which includes Finance Minister Anwar Ibrahim who had been returned unopposed as UMNO deputy president and Melaka State Chief Minister Abdul Rahim Thamby Chik who is the new UMNO youth head.

In elections for the 25-member Supreme Council, Public Enterprises Minister Dr. Yusof Nor polled the highest number of 1,371 votes. Deputy Transport Minister Zaleha Ismail was at the bottom of the list and scraped in with 840 votes.

The three new vice presidents had earlier received the most number of nominations and the results go to show that the nominations had been translated into votes. Najib received 146 nominations, Muhammad (136), and Muhyiddin (131).

The delegates gave the most number of votes to Muhyiddin and he was followed by Najib and Muhammad, with the voting trend not deflecting very much from the nominations that they received. However, in the case of Abdullah and Sanusi, who received 16 and 148 nominations respectively, they still managed to collect many votes.

Based on a count of 11 votes for each nomination, Abdullah could have received only 176 votes and Sanusi 154. The defeat of Abdullah and Sanusi, both said to be aligned to former UMNO Deputy President Ghafar Baba, is not surprising even though Abdullah was said to have some chance of being reelected.

Sanusi, who was not seen to be campaigning much and frequently, avoided meeting the local press as he claimed it was not being fair to him and he indeed faced an uphill battle to retain his party post.

Four new faces have emerged in the 25-member UMNO Supreme Council.

The full council now comprised five chief ministers, seven federal ministers, nine deputy ministers, a deputy chief minister, a former menteri besar [chief minister], a parliamentary secretary, and a businessman.

UMNO, Golkar To Increase Cooperation

*BK0411104793 Kuala Lumpur BERNAMA in English
0955 GMT 4 Nov 93*

[Text] Kuala Lumpur, Nov 4 (OANA—BERNAMA)—Leaders of UMNO [United Malays National Organization] and Golkar [Functional Group] Thursday agreed to to step up cooperation to strengthen relations between the two countries.

The new Golkar chairman, Harmoko, said the existing good relations between Malaysia and Indonesia revolved mainly around the executive level and it was time for it to be expanded to party level.

Good relations between Golkar and UMNO will help create regional perception and resilience that will strengthen relations between the two countries, especially for the future generation, he told reporters after paying a courtesy call on UMNO President Dr. Mahathir Mohamed and Deputy President Datuk Sri Anwar Ibrahim.

Harmoko, who is Indonesia's information minister, said such a cooperation was necessary in efforts to develop each other's country. He was one of the foreign observers at the UMNO General Assembly which opened here Thursday. UMNO or United Malays National Organisation is the main component party in the ruling National Front coalition.

Harmoko said cooperation such as the exchange of information, views and visits among youth and wanita [women] wings of both parties should also be stepped up.

The cooperation between Golkar and UMNO would also help raise the political status of the two countries, he added.

Harmoko also suggested that the cooperation between intellectuals and experts of the two countries be stepped up to facilitate greater cooperation in development.

On the UMNO General Assembly which he attended for the first time as an observer Thursday, Harmoko said: It's very democratic...everything went on smoothly. He said Dr. Mahathir's address was appropriate to the condition in the country and UMNO.

In the 30-minute meeting, Harmoko congratulated Dr. Mahathir on his reelection as president without contest and Dr. Mahathir extended similar message to the new Golkar Supreme Council.

Dr. Mahathir also received the observer from the People's Democratic Movement of Papua New Guinea [PNG], Peter Kama, who was accompanied by a PNG diplomat here, Kila Akaro.

Also present were representatives from the African National Congress (ANC) of South Africa Tahir Salie and Akhmat Davids, who were accompanied by ANC representative here Suraya Bhoola.

Tahir told reporters that the development of Malaysia which comes from the commitment of its people, especially due to the education and training systems in the country, has the best lesson for South Africa to learn. He said the globalisation of economic and political system of the country was an important lesson not only for South Africa, but also others.

Tahir, who was impressed with the achievement of Malaysia, praised the leadership of Dr. Mahathir in handling local and international issues and in promoting regional cooperation, especially the South-South cooperation. He said the impressive leadership of Dr. Mahathir and his team had created a lot of international interest in the development of the country.

Tahir said his visit here had given him the opportunity to observe how the idea of regional cooperation was being developed and pursued.

On the general assembly Thursday, he said it created a political awareness in him on how a democratic party election was held and gave him an idea of how the South African first general election would be held next April.

It was an important exposure which gives some lessons to take back home, he said. He praised Dr. Mahathir's leadership in saying that Mahathir could be the possible model for a world leadership.

Peter Kama of PNG said he was impressed with the well organised and strong structure of UMNO.

Commentary Hails Finance Minister, 1994 Budget
BK0511125793 Kuala Lumpur Voice of Malaysia in English 0800 GMT 5 Nov 93

[Station commentary]

[Text] It was exactly a week ago when Finance Minister Anwar Ibrahim presented the 1994 budget in parliament. There is no doubt it was the most balanced budget since the country attained its independence. People from all walks of life, from the man-in-the-street to corporate leaders and even opposition parties, have lauded the finance minister for looking into the interest of all sectors and individuals.

The prime minister, Dr Mahathir Mohamed, said of the budget that it was a remarkable achievement. Local correspondents described it as the tonic needed to ensure that Malaysia's economic growth maintains its momentum. There is no doubt that it is the soundness of Malaysia's economic policies that have made such a painless budget possible. Added to that is the country's political stability and democratic government; a sound and expanding infrastructure are the ingredients needed

to help keep Malaysia's growth rate growing at the current pace for many more years to come.

Where the global economy presents a gloomy picture with many industrialized countries trying to fight off inflation, Malaysia has recorded an average growth of eight percent for the past five or six consecutive years—a splendid performance for a developing country.

The finance minister has projected that Malaysia's gross domestic product, GDP, will grow at least eight percent this year and 8.2 percent in 1994 or at the same pace it has been riding since 1988. The current surplus in the balance of payments is expected to rise by 511 million ringgit this year to 1.5 billion ringgit in 1994. The budget cuts corporate income taxes to 32 percent in 1994 and to 30 percent in 1995 and the increased spending on infrastructure projects by 16 percent, and, very important, reduces import duties on more than 500 consumer items.

As for the common man and the low income group, the finance minister has announced a 1.4-billion ringgit plan for low-cost housing. In addition, low-income wage earners will be entitled to tax rebates. Technology, research and development, training, and education, have been given due emphasis in the budget. These are the factors that will be assets to the (potential) savings and for the build-up from both public and private sector gains.

The 1994 budget is definitely a milestone in achieving Malaysia's ambition to be a developed nation by the year 2020. A very positive course has been charted by the budget. It is a budget that has something for everyone—from the lowest to highest strata in society.

Accolades to the finance minister for a well-balanced budget.

Singapore

Australian Deputy Prime Minister on Visit

Comments on APEC, GATT

BK051114893 Singapore Singapore Broadcasting Corporation in English 1100 GMT 5 Nov 93

[Text] Australia's deputy prime minister, Brian Howe, says his country is not focusing on having a wider Pacific trade area as a separate forum. He said Australia is focusing on APEC [Asia-Pacific Economic Cooperation] although this should not exclude other opportunities. Mr. Howe also said Australia does not see the APEC forum as an alternative to GATT if the Uruguay Round of talks fails. Mr. Howe, who is visiting Singapore, was speaking at a news conference this afternoon. He met the prime minister earlier and said Mr. Goh had accepted an invitation to visit Australia next year.

Further Comments From Howe

*BK0511120093 Hong Kong AFP in English 0841 GMT
5 Nov 93*

[Excerpts] Singapore, Nov 5 (AFP)—Australia said Friday it understood why Malaysia would not attend an upcoming meeting of Asia-Pacific leaders, adding that member countries should have room to develop their own ideas.

Australian Deputy Prime Minister Brian Howe, who is visiting Singapore, was referring to the Asia-Pacific Economic Cooperation (APEC) forum to be held in the U.S. city of Seattle next week. He told reporters Friday that Australian Prime Minister Paul Keating and his Malaysian counterpart Mahathir Mohamed had a detailed discussion about APEC when they attended the recent Commonwealth meeting in Cyprus.

Mahathir said Thursday he had not changed his mind about going to the APEC meeting, which is being hosted by U.S. President Bill Clinton.

"I think we understand each other's positions," Howe said. "I think there is a recognition that APEC is of strategic importance in the longer term, so it is important that everyone has room to develop their ideas and that people do not feel too pressured," Howe said. [passage omitted on history of Malaysia's opposition to APEC summit]

Australian Foreign Minister Gareth Evans said last week that Sydney wanted APEC to be a free trade community while Lee Kuan Yew, Singapore's influential elder statesman, expressed similar sentiments in Tokyo. [passage omitted]

Howe arrived here Wednesday for a four-day visit during which he met Prime Minister Goh Chok Tong and officials from the Housing and Development Board, the Urban Redevelopment Authority, the Mass Rapid Transit Corp and the Port of Singapore Authority and the National Council of Social Services.

Jungle Exercises Held With Brunei Infantry

*BK0411140193 Singapore THE STRAITS TIMES in
English 4 Nov 93 p 25*

[Text] Bruneian infantrymen and SAF [Singapore Armed Forces] guardsmen started a nine-day training in the jungles of Temburong in Brunei yesterday.

Commanders from the two armies will practise jungle navigation and carry out search-and-destroy missions.

Bruneian helicopters will also be involved. They will conduct resupply and casualty evacuation missions during the exercise, which will stretch to Nov 11.

The exercise is the latest in a series of bilateral exchanges between the Royal Brunei Armed Forces (RBAF) and the Singapore Armed Forces (SAF).

Highlighting the benefits of such an exercise, the Ministry of Defence said in a press statement yesterday: "These interactions, which reflect the warm and friendly ties between the two countries, enable the two armed forces to understand each other's procedures better and cooperate more closely in joint training."

The two armies have been conducting two other bilateral land exercises annually in Singapore.

One of them is a joint armour exercise which started in 1992 and the other, an infantry battalion live-firing exercise which began in 1984.

The two navies also conduct regular manoeuvres together.

The SAF contingent comprises 120 officers and specialists from the 1st Battalion, Singapore Guards (1Gd Bn) led by their commanding officer Major Noel Cheah Weng Kee.

They will join about 62 troops from the 1st Battalion, Royal Brunei Land Force (RBLF) led by Commanding Officer Lieut. Col. [Lieutenant Colonel] Awang Jumat, the exercise director.

The joint training was launched yesterday morning by Deputy Commander, RBLF, Lieut. Col. Dato Haji Mohamed Jaafar at Bangar Cam in Temburong. The RBAF's director [for] training, staff duties, and doctrines, Lieut. Col. Abdul Jalil bin Haji Ahmad, will officiate at the closing ceremony on Nov 12.

Cambodia**Tie Banh Meets Australian Delegation 2 Nov**

*BK0511052593 Phnom Penh National Voice of
Cambodia Radio Network in Cambodian 1200 GMT
4 Nov 93*

[Text] A meeting between His Excellency [H.E.] General Tie Banh, co-minister of national defense, and an Australian senatorial delegation led by Senator Jim McKiernan was held at the Army Foreign Relations Department on the afternoon of 2 November. Answering the Australian senator's questions about the current military situation in Cambodia—the senator was told by Gen. Long Sopheap in Siem Reap Province that war has not yet ended in the country—Gen. Tie Banh said: Peace represents the major aspiration of mankind; this is the same for the Cambodian people, who always want peace and desire to rebuild the country toward prosperity. Nevertheless, there is a tremendous gap between the destructive war and national development—considerable time is needed to produce a thing, but that thing can be destroyed completely in the twinkling of an eye.

The Democratic Kampuchea [DK] group—with its continuing demolition of bridges, roads, railroads, and other destructive activities—obligates us, the Khmer Royal Armed Forces [KRAF], to come out and crack down on

those activities. However, this does not mean that we are eager to continue war; our only intention is to provide protection.

On the issue of trimming down the armed forces, Gen. Tie Banh said: This matter depends on the following two matters:

1. When will the people be free to make a living or to travel everywhere without fear of the danger of war? Now, troops are needed to protect railroads, national routes, bridges, ports, airports, and other major installations; they have even been deployed to protect the area of Angkor Wat temples considered a neutral zone in the Constitution. In sum, the troop reduction depends on the time when the threat posed by the DK group ends.

2. Measures should be taken to make troops feel welcome or to provide them with a real occupation after the demobilization. Concerning this issue, the Royal Government of Cambodia and the Ministry of Defense have been trying to muster international support to create a significant army engineering corps, but this is also a time-consuming task. We can only cut down the number of troops when all favorable conditions are achieved.

Before the end of the meeting, Senator McKiernan, on behalf of his delegation, sincerely thanked H.E. Gen. Tie Banh for his explanation. He wished the Kingdom of Cambodia genuine peace and prosperity.

Sirivut Receives Greeting From SRV Official

BK0511112393 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 5 Nov 93

[Text] On 29 October, Prince Norodom Sirivut, Cambodian deputy prime minister and minister of foreign affairs and international cooperation, received a congratulatory message from Nguyen Manh Cam, foreign minister of the SRV.

The message says: On the occasion of your appointment as deputy prime minister and minister of foreign affairs and international cooperation of the Kingdom of Cambodia, I would like to express my warmest congratulations. May the relations of friendship, cooperation, and good neighborliness between our two countries be further strengthened and expanded for the benefit of the people of the two nations and for the benefit of peace, stability, and cooperation in Southeast Asia.

I wish you good health and success in your noble position.

Chakkrapong Ready for 'Political Comeback'

BK0511052193 Phnom Penh AKP in English 1007 GMT 4 Nov 93

[Text] Phnom Penh AKP November 4—Prince Norodom Chakkrapong, who staged a short-lived break-away movement in June after the U.N.-supervised election in Cambodia, has said he is ready for a political comeback to serve the people.

In an interview with the Cambodian language newspaper "RASMEY KAMPUCHEA", the prince said he would be in service of the people because it was his aim and people had confidence in him.

He said he would be admitted to the National Assembly at the second session of the first legislation.

Prince Chakkrapong said he did not want power, but it was up to the people who had confidence in him and his ability.

Prince Chakkrapong—along with former Cambodian Minister General Sin Song, who is also reported to want to return to Cambodian scene—led an aborted movement protesting the results of a U.N.-sponsored election that gave victory to FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party led by his half brother, Prince Norodom Ranariddh.

Decree Transfers Officer to Security Ministry

BK0511110193 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 0430 GMT 5 Nov 93

["Order of the Royal Government"]

[Text] Having seen the Constitution of the Kingdom of Cambodia,

Having seen the decree of His Majesty Norodom Sihanouk, king of Cambodia, dated 24 September 1993 concerning the appointment of the first and second prime minister of the Royal Government of Cambodia,

Having seen the decree dated 14 July 1993 on the establishment of the General Staff Office of the Cambodian National Armed Forces,

And with reference to the proposal of the co-ministers of the Ministry of National Defense and the chief of General Staff of the Khmer Royal Armed Forces [KRAF], decide:

Article 1. General Khan Savoeun, deputy chief of staff of the KRAF, is now assigned a new position at the National Security Ministry.

Article 2. His Excellency [H.E.] General Khoem Saophoan is appointed deputy chief of the KRAF general staff.

Article 3. The co-ministers in charge of the Council of Ministers' office, the national defense co-ministers, and

the chief of the KRAF General Staff, and the person concerned should act on this order which takes effect from the day it is signed.

[Dated] Phnom Penh, 3 November 1993

[Signed] First prime minister, Prince Kromluong Norodom Ranariddh;

Second prime minister, H.E. Hun Sen

Editorial Calls for Results From Government

BK0511074993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 2300 GMT 4 Nov 93

[Editorial: "Three Major Tests for the Royal Government"]

[Text] In a message from Beijing, Prince Norodom Sihanouk placed full hope in the National Assembly and the royal government for a five-year mandate to solve the three serious national problems that are facing the country.

On the first issue, Prince Norodom Sihanouk focused on the problem of the Khmer Rouge and their autonomous zone, which is in effect a partition of the country. The second issue is territorial integrity, the 1963-1969 land and sea borders that have not been respected by some neighboring countries. The third issue is the poverty of the people who have been considered the poorest in the world.

The royal government has affirmed in its policy principles that it will quickly and peacefully settle the first issue through the readiness to hold talks with the Khmer Rouge, who have not yet recognized and abided by the three-point condition of the royal government and who have been declared an outlaw group by the royal government.

On the second issue the royal government has stated that any treaties and agreements that have been signed with foreigners and that affect and violate Cambodia's independence and territorial integrity will be considered null. And with the aim of maintaining stability, friendship, and good cooperation, the royal government is ready to solve border problems on the basis of Article 2 of the Kingdom of Cambodia's Constitution. This article says that the Kingdom of Cambodia's territorial integrity—marked on 1/100,000 maps between 1933 and 1953 and internationally recognized between 1963 and 1969—cannot be violated by anyone.

As for the third issue, to eliminate the people's poverty, the royal government pledges to develop the economy by focusing on the macroeconomy and the agricultural development of rural areas.

These are major tasks and charges for a royal government that has just received a new set of leaders and assembly. The capacity and the time to work are a test while efficiency lays in the people's confidence. Rallying forces in the framework of national unity with trust in the royal government in accordance with the initiative of Samdech Euv [Sihanouk's popular title] is a necessity. However the determination of

the royal government should produce concrete results to solve these difficult and complicated issues. Analysts consider that these three major tasks are a test for the new government that was born from liberal democracy. Having it stated in the political program as a doctrine and not implementing it in accordance with the stated principles could lead to criticism by the people, who might say that the same path has already been traveled.

Commentary Says Government May Attack KR

BK0511102593 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 4 Nov 93

[Station commentary: "Diplomatic and Political Measures Alone Are Not Sufficient"]

[Text] Khmer Rouge leader Khieu Samphan has declared that his group recognizes the new Constitution, but not the new Royal Government of Cambodia [RGC]. Along with this, the Khmer Rouge party has intensified military activities. It destroyed four bridges in Battambang Province at a time when the Cambodian people across the country were merrily celebrating the traditional Phchum Ben festival.

Lately, they have shipped weapons and ammunition to Siem Reap, Battambang, Kompong Thom, and Preah Vihear Provinces in preparation for launching offensive attacks during the coming dry season. Apart from military activities, the Khmer Rouge also stepped up slanderous propaganda, charging that the RGC continued to receive orders or advice from Vietnam. All these accusations were denied by Prince Kromluong Norodom Ranariddh and His Excellency [H.E.] Hun Sen, respectively first and second prime ministers of the RGC, in a letter to Khieu Samphan.

The Khmer Rouge have acted this way in the hope that they can conceal their warmongering activities from the world community. Nevertheless, every Cambodian already knows as clearly as broad daylight their cruel, genocidal characters. The majority of the general public is also aware that if the Khmer Rouge party does not give up their arms and put an end to its military activities, basic peace in Cambodia cannot last long. Therefore, to deal with this problem, the RGC, which is ready to implement political and diplomatic measures, does not rule out offensive attacks to defeat the group. This is the RGC's fundamental policy of combining diplomatic and military measures to confront the Khmer Rouge in order to win victory over them, thereby bringing about peace and stability for our nation and people.

Khmer Rouge Reportedly Kills Buddhist Monks

BK0511055193 Phnom Penh AKP in French 0400 GMT 5 Nov 93

[Text] Phnom Penh 5 Nov (AKP)—According to a military report, about 10 Khmer Rouge soldiers killed

the abbot of the Preah Ang Thom monastery and kidnapped three Buddhist monks from the same monastery in Siem Reap Province's Svay Leu District on the night of 29 October.

In the same province on 30 October, three monks were found killed and another seriously injured by Khmer Rouge torture.

Moreover, elements of the Khmer Rouge fired eight H-107 rockets at the Siem Reap provincial airport on 1 November.

At noon on 27 October, some 30 Khmer Rouge soldiers attacked the Khmer Royal Armed Forces' position at Kaoh Chiveang, 45 km northeast of the provincial city of Battambang, killing three civilians and wounding 46 others.

Report on Khmer Rouge Activities 29 Oct-1 Nov

BK0511094993 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1200 GMT 4 Nov 93

[Text] The Third Department of the Khmer Royal Armed Forces [KRAF] General Staff reported that Democratic Kampuchea [DK] troops kidnapped and killed the abbot of the Preah Angkor Thom and took away four Buddhist monks in the Svay Leu District of Siem Reap-Oddar Meanchey on 29 October. On 30 October, three of the four abducted monks were killed while the other was seriously wounded in a land mine explosion.

On 1 November, some 100 to 120 DK troops launched a four-pronged attack and fired, with 120-mm and DK-82 guns, about 150 shells on our KRAF position in Svay Leu District. However, our KRAF mounted a counterattack against them immediately, killing two DK soldiers and seizing a quantity of materials. On the same day, DK forces also blew up three bridges in Angkor Chum District.

As at the Melai, Chumrum Khla Ngoap, and Kouk Dong areas in Banteay Meanchey Province early this week, DK forces forced youths from a camp to carry arms and receive military training.

Also on 1 November, 80 to 100 DK forces raided the Chei Sen District seat in Preah Vihear Province. However, our KRAF counterattacked, defending the locality effectively. As a result, a DK soldier was killed and a gun seized.

In Kampot Province, DK troops infiltrated villages and communes in Kompong Trach and Chum Kiri Districts with the intention of plundering and massacring the people; they killed three villagers and wounded two others.

In Kompong Cham Province on 30 October, our KRAF captured a DK soldier and seized a gun in an area 10 km south of Srei Santhor District.

Indonesia

Suharto Receives Officials From Kuwait, Iran

BK0511065993 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 4 Nov 93

[Text] In his capacity as chairman of the Nonaligned Movement, President Suharto today received a courtesy call at Jakarta's Merdeka Palace from Shaykh Salem al-Sabah, chairman of the Kuwaiti Committee for the Missing and Prisoners of War Affairs, accompanied by Kuwaiti Ambassador to Indonesia Ali Zakariya al-Ansari. The Kuwaiti official asked for Indonesia's assistance in obtaining the release of about 600 Kuwaiti nationals who have been detained by the Iraqi authorities since the Gulf war. Shaykh Salem al-Sabah said a total of 627 Kuwaiti nationals now remain under detention by Iraqi authorities. Earlier, about 6,000 Kuwaiti nationals—the majority of whom were civilians, women, and children—were under Iraqi detention.

Earlier, at the same venue, President Suharto received a courtesy call from Mohammad Gharazi, Iranian minister of posts and telegraph, accompanied by Iranian Ambassador to Indonesia 'Ali Asghar Qoreyshi Kahangi and Indonesian Trade Minister Satrio Budiharjo Yudono. During the meeting, the Iranian minister officially invited President Suharto to visit Tehran. The two sides also discussed ways to boost bilateral trade.

Suharto, Iranian Minister Meet

LD0411223193 Tehran IRNA in English 1532 GMT 4 Nov 93

[Text] Tehran, Nov. 4, IRNA—President Suharto of Indonesia today called for expansion of economic and trade relations between his country and the Islamic Republic of Iran.

The Indonesian president, who was talking to Iranian Minister of Post, Telegraph and Telephone Mohammad Gharazi in Jakarta, said bureaucratic problems could not hinder the promotion of economic and trade ties between the two countries. He expressed hope that Gharazi's visit to Jakarta would serve to materialize agreements reached between the two countries last year and broaden mutual ties.

Gharazi, while presenting Suharto a message from Iranian President Akbar Hashemi-Rafsanjani, called for expansion of relations between the two Muslim countries. He said that both countries by identifying their own capacities could expand bilateral trade and economic ties.

Government To Sell Helicopters to Iran

BK0411153693 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 4 Nov 93

[Text] Iran will purchase six to seven Indonesian helicopters worth about U.S. \$80 million. Indonesia and Iran signed an

economic and trade cooperation agreement in Jakarta today. Speaking after the ceremony, Kamarulzaman al-Gamar, director general for foreign trade, said Iran had opened a letter of credit to purchase the helicopters worth about U.S. \$80 million. The utilization of the letter of credit, which was opened a long time ago, was delayed for technical reasons. Indonesia also offered to sell Iran 25,000 metric tons of rice and palm oil and to cooperate in aviation and shipping operations.

Alatas Sees 'Progress' in Philippines Talks

BK0511010593 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 5 Nov 93

[Text] Indonesia has not decided whether to send a peacekeeping force to the southern Philippines to monitor a cease-fire between the Philippine Government and the Moro National Liberation Front [MNLF]. Speaking after observing talks between representatives of the Philippine Government and the MNLF in Jakarta yesterday, Foreign Minister Ali Alatas said the joint committee is definitely needed to monitor such a cease-fire. The establishment of the joint committee is in accordance with Article 12 of the Tripoli Accord. Members of the joint committee have been appointed.

Alatas noted that the reason the formal talks between the Philippine Government and the MNLF have made some progress is because, in line with the accord reached in Cipanas in April, the two sides have agreed to focus on ways to implement the Tripoli Accord.

Minister Reports on Meeting About Economy

BK0311115793 Jakarta ANTARA in English 0949 GMT 3 Nov 93

[Text] Jakarta, Nov. 3 (ANEX-ANTARA)—President Suharto has said that the 1993 inflation should be maintained below 10 percent to ensure a smooth supply of goods. The inflation rate during the January-October period was recorded at 8.83 percent.

Following a limited cabinet meeting on the financial, economic, development, industrial, and trade sectors, Information Minister Harmoko told the press at Bina Graha Presidential Office here Wednesday the inflation rate in October 1993 reached 0.59 percent.

The head of state, according to Harmoko, has instructed a number of ministers to provide enough supply of basic goods and distribute them evenly throughout the country for the upcoming Christmas and New Year 1994.

The president was optimistic that the inflation rate can be maintained below 10 percent since the inflation rate in November and December 1992 was respectively 0.25 percent and [figures indistinct] percent, the minister said.

Minister Harmoko also said that the amount of money in circulation up to September reached Rp. [rupiah] 35.033 trillion (around 17 billion U.S. dollars).

On the trade balance, Harmoko said that the exports in August were worth 3.132 billion U.S. dollars, the imports were 2.150 billion U.S. dollars, which means a surplus of 981 million dollars. In January-August period, Indonesia's trade surplus was recorded at 6.16 billion U.S. dollars with exports reaching 24.1 billion U.S. dollars against 17.95 billion dollars worth of imports.

The meeting which was attended by Vice President Try Sutrisno, Defense and Security Minister Edi Sudrajat, and Foreign Minister Ali Alatas also discussed cement price which has run higher than the local standard.

Harmoko said implementation of the new traffic [law] which was slated next month, would be done wisely. Industry Minister Tunky Ariwibowo stated prior to the implementation of this law last September 17 the implementation of the law should not have caused worries among transportation companies and drivers, including those transporting cement.

The meeting also discussed agricultural activities, particularly climate changes that might affect farmers' activities, Harmoko said.

'Senior' Officer Defends Remarks on Military

BK0411135793 Singapore THE STRAITS TIMES in English 3 Nov 93 p 16

[By Paul Jacob]

[Text] Jakarta—The senior armed forces officer whose blunt remarks on political succession and the pivotal role of the military had stirred controversy maintained here yesterday that he had a duty to go on the record with them.

Major General Sembiring Meliala told THE STRAITS TIMES that as an appointed representative in Parliament, he felt an obligation to air points of view which had been circulating and were widely held by civilian and military friends and colleagues. He did not, however, want to prolong the issue by responding to reactions which it had generated and denied that his superiors had asked him to refrain from making further comments.

The general made waves last week when he told a current affairs tabloid that military backing was a vital factor in efforts by any individual or party to secure political support or remain dominant. It was also his impression that Indonesians wanted the country's next president to be someone with a military background. He also gave a frank assessment of two leading civilians in the cabinet—Research and Technology Minister B.J. Habibie and Information Minister Harmoko—saying that they were dependent on President Suharto and would be nowhere once he left the scene.

Gen. Sembiring's remarks took on added meaning as they were published after the National Congress of the ruling Golkar [Functional Group] when Mr. Harmoko was appointed as the first civilian chairman in its 29-year history.

Although the appointment of retired Major General Ari Marjono as secretary general gave the military a position in the party executive [council], it was seen as further evidence of a decline in the military's role in politics.

Gen. Sembiring, the deputy leader of the 100-member Armed Forces Faction in Parliament, told journalists earlier on Monday that he felt "secure" and did not envisage being recalled from his position in the house.

The Indonesian military does not participate in a general election but has 100 members appointed to Parliament in recognition of its historical dual role as a sociopolitical organisation and a defence force.

The general's superiors—Armed Forces Chief Feisal Tanjung and parliamentary faction leader Abu Hartono—and Dr. Habibie all reacted by saying that his views were personal and did not reflect the military's official position.

Their swift reactions were seen as an effort to downplay any impression of a split between the military and civilians in government.

Several observers believed, however, that Gen. Sembiring's views reflected accurately the sentiments of some senior officers who were intent on ensuring that the military's political role was not further diminished.

Fleet Conducts Maneuvers With Australian Navy

BK0411141793 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 4 Nov 93

[Text] The Indonesian Navy's Eastern Fleet is conducting technical cooperation in submarine warfare with the Royal Australian Navy. Speaking in Surabaya, Colonel (Nurkama), commander of the Eastern Fleet's Submarine Unit, said the technical cooperation, which began 18 months ago, has had a positive impact in the improvement of the Indonesian Navy's combat professionalism. It is hoped that the Indonesian Navy personnel will upgrade their professionalism through the technical cooperation while the two governments improve relations.

The two countries' navies also forged cooperation by conducting joint military exercises codenamed New Horizon. These maneuvers involve both the high-ranking and low-ranking officers of the two Navies.

Daily Supports Jakarta Policy on Israel

BK3110105193 Jakarta SUARA PEMBARUAN in Indonesian 18 Oct 93 p 2

[Editorial: "Rabin's Visit and the Policy Toward Israel"]

[Text] Regardless of the various comments on the surprise visit of Israeli Prime Minister Yitzhaq Rabin to Jakarta last Friday (15 October), a major surprise was the high ability of state officials to keep the visit secret until it ended. An absence of information on the visit was understandable because of Indonesia's policy on that country, which is still

practicing colonialism in Arab territories in the Middle East, as well as of fears of possible negative reactions that might have foiled the visit.

As the visit of PLO leader Yasir 'Arafat to Jakarta several weeks ago ignited a demonstration opposing the Israeli-PLO agreement signed in Washington on 13 September, we could, thus, have imagined possible public anger and possible "anti-Jewish" demonstrations at home if the Israeli prime minister's planned visit had been leaked.

Nonetheless, regardless of our policy toward Israel, we see that almost all parties, including K.H. Hassan Basri, chairman of the Indonesian Ulema Council; political expert Professor (Prof.) Dr. Yuwono Sudarsono; and Dr. M. Din Syamsuddin, a scholar from a state Islamic college, have understood the significance and intention of the surprise visit of the Israeli head of government. The visit was in no way within a bilateral context. Rather, it was a call from the Israeli prime minister to the chairman of the Nonaligned Movement [NAM] currently headed by Indonesia.

Apparently, it is Israel rather than Indonesia that had a greater stake in the visit in view of the way the visit was processed. In this regard, Israel wanted to explain the significance of the Israeli-PLO agreement signed last September and, if possible, to help its implementation for the sake of peace in the Middle East.

As we know, one weakness of the Israeli-PLO agreement that will extend autonomy to the PLO was the failure of both Yasir 'Arafat and Yitzhaq Rabin to gain full support from their political allies and enemies.

The agreement is opposed by factions within the PLO itself like the Popular Front for the Liberation of Palestine (PFLP) led by George Habash, the Democratic Front for the Liberation of Palestine (DFLP) led by Nayif al-Hawatimah, the Palestine Liberation Front led by Muhammad 'Abbas, the Arab Liberation Front led by Mahmud Isma'il, the Palestinian Popular Struggle Front led by Samir Gawshah, the Popular Front for the Liberation of Palestine-General Command led by Ahmad Jibril that has threatened to kill Yasir 'Arafat, and the Syrian-backed al-Sa'iqah led by 'Isam al-Qadi as well as by a number of non-PLO factions such as Hamas, Fatah-Intifada, and the Islamic Jihad in Palestine.

In the meantime, the agreement is being opposed by the opposition Likud Party led by Yitzhaq Shamir in Israel as well as by a number of Arab countries.

Given the substance of Prime Minister Yitzhaq Rabin's visit, we conclude that the Israeli Government recognizes Indonesia's important role as the NAM chairman. Even though the visit was not within a bilateral context, it had bilateral dimensions, at least from the Israeli viewpoint, because this was the first time an Israeli head of government had visited Indonesia, a country that does not recognize or have diplomatic relations with Israel.

Wasn't the visit an important historic event for the two countries?

Based on various opinions and comments aired by the country's religious leaders and political experts on the visit, we indeed understand and agree with the suggestions that Indonesia should not hastily recognize, let alone establish diplomatic relations with Israel.

However, we disagree with their opinions, including Prof. Dr. Yuwono Sudarsono's, that link the recognition of Israel to the policies of Arab countries in general and the PLO as the most interested party, the Palestinian people, and the Arab League in particular.

Our foreign policy must remain independent and must not depend on the policies or opinions of other countries or groups. Moreover, we know that there exist several differences in opinions within the PLO, the Palestinian People, and the Arab League themselves regarding Israel.

Indonesia's policy not to recognize Israel has not been attributed solely to its solidarity with the Arab struggle but also to its constitutional principles because that country continues to adopt a colonial policy in the Middle East. The first paragraph of the Preamble of the 1945 Constitution says that colonialism must be abolished from the earth.

Laos

Prime Minister, Delegation Leave for Cambodia

BK0411053693 Vientiane Vitthayou Hengsat Radio Network in Lao 0500 GMT 4 Nov 93

[Text] At 0700 today, His Excellency [H.E.] Khamtai Siphandon, prime minister of the Lao People's Democratic Republic [LPDR]; his wife; and his delegation left on an official friendship visit to the Kingdom of Cambodia. They will visit from 4 to 7 November at the invitation of First Prime Minister Prince Kromloun Norodom Ranariddh and Second Prime Minister H.E. Hun Sen.

An official ceremony to see off the prime minister and his delegation was held at the Prime Minister's Office. The ceremony was attended by H.E. Khamphoui Keoboulapha, deputy prime minister and chairman of the Planning and Cooperation Committee; H.E. Lieutenant General Choummali Sai-gnason, minister of national defense; other ministers; and many high-ranking cadres. Mau Teng, charge d'affaires ad interim of the Kingdom of Cambodia to the LPDR, was also on hand at the ceremony to see off the delegation.

Accompanying H.E. Prime Minister Khamtai Siphandon to Cambodia are Foreign Minister H.E. Somsavat Lengsavat; H.E. Osakan Thammatheva, minister of information and culture; and H.E. Bouathong Vongnokham, minister of communications, transport, posts, and construction, along with a number of delegation members.

DPRK Delegation Calls on Chairman, Departs

BK0311052793 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 3 Nov 93

[Text] On the afternoon of 1 November, Saman Vi-gnaket, chairman of the National Assembly, received at the assembly hall in Vientiane a courtesy call from a delegation of the Democratic Front for Unification of the Fatherland of the DPRK led by Yi Chong-hun, chief secretary of the front. The National Assembly chairman discussed various issues of common interest with the guests in a friendly atmosphere and a straightforward manner.

The two sides expressed satisfaction over the further enhancement and strengthening of the relations and cooperation between the Lao People's Democratic Republic [LPDR] and the DPRK, which have been seen through the exchanges of visits between high level delegations and delegations at other levels of the two countries. On this occasion, Saman Vi-gnaket reiterated the support of the party, government, and people of Laos for the cause of the struggle for the peaceful unification of the Korean nation. He also expressed the hope that the party, government, and friendly people of Korea will achieve success in fulfilling the said ideals as well as the cause of building and defending their country.

DPRK front delegation head Yi Chong-hun thanked National Assembly Chairman Saman Vi-gnaket for the warm welcome given to him and his delegation.

Later, at noon on 2 November, Yi Chong-hun and the delegation left for home. They were seen off at Wattai Airport by Bolivong Dalavong, head of the office of the Lao Front for National Construction Central Committee. Also on hand to see the delegation off at the airport were Chang Yong-chun, ambassador extraordinary and plenipotentiary of the DPRK to the LPDR, and a number of cadres concerned.

Khamphoui Keoboulapha Report: 7th Installment

BK0411052793 Vientiane PASASON in Lao 16 Oct 93 p 3

[Seventh installment of report by Deputy Prime Minister Khamphoui Keoboulapha, delivered at the second ordinary session of the Third National Assembly in Vientiane on 27 September: "The Status of the Implementation of the 1992-93 Socioeconomic Development Plan and the Duties and Orientation Tasks for the 1993-94 Fiscal Year"]

[Text] —To hold the inflation rate down to 6-8 percent per year and maintain the stability of the value of the kip; appropriately implement the policy on bank deposit and loan interest rates in conformity with the line on promoting production, especially the production of goods for export and the production of goods in rural areas; raise the level of the capabilities and efficiency of the Central Bank in managing, supervising, and controlling business banks, both domestic and foreign; and guarantee the coordination of work in accordance with a strict system and principles.

The financial and banking service must urgently improve and strengthen its organizational structures in an orderly and disciplined manner; raise the quality of work in specialized fields and fulfill the service work in a timely manner; and perform duties in an honest, decent manner.

7. In the field of economic relations with foreign countries:

—Continue to improve the investment law and issue a number of regulations and laws on investment in order to increase the confidence of foreign investors and create a better atmosphere for the promotion of investment; simultaneously carry out the work in the two fields as follows: review various investment projects which have already been approved and the implementation of which has begun, and learn lessons drawn from actual practice in order to correct and settle shortcomings and remaining problems and promote good points. In this regard, resolute determination must be made to improve various problem projects, such as small projects in the service and trading sector. At the same time, attention must be paid to persuading and encouraging companies and investors with a recognized financial and business role and status to invest in significant medium- and large-size projects which have been included in the development plan of the country.

—Consolidate investment promotion and management organizations at the central level; put forth the work coordinating and guidance system; follow up and control the investment that has been made with various branches and localities; and explicitly divide responsibilities among levels and branches concerned in order to guarantee unification and coherence in organizing the implementation.

Philippines

Ramos on Need for U.S. Military Presence

BK0511112793 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 5 Nov 93

[Text] President Fidel Ramos will inform U.S. President Bill Clinton about the need for a strong U.S. military presence in the region. This was revealed by Ramos during his visit to Fort Magsaysay, Nueva Ecija.

The president watched the live-firing exercise between the Filipino and American forces during the joint military exercise. The exercise is aimed at testing military cooperation between the two countries.

The president said that even though the United States has lost its strategic bases in the region, it is still necessary to have a quick-response capability to ensure regional stability.

Ramos Approves MNLF Cease-Fire Agreement

BK0411122293 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 4 Nov 93

[Text] President Fidel Ramos has agreed to a cease-fire agreement between the government and the Moro National Liberation Front [MNLF].

The agreement will be signed by the Philippine Government and MNLF peace panels before they recess within the next few days from the ongoing peace talks in Jakarta.

Batangas Congressman Eduardo Ermita and Defense Undersecretary Feliciano (Gasis) were appointed to talk with the MNLF about the cease-fire.

Ramos wants to make sure that the cease-fire agreement will not affect national security and that public safety will be guaranteed.

Preliminary Agreement Signed

BK0511051793 Quezon City Radio Filipinas in English 0230 GMT 5 Nov 93

[Text] Government and MNLF [Moro National Liberation Front] negotiators have signed a preliminary agreement for cease-fire at the end of their peace talks in Jakarta, Indonesia. This was disclosed by President Ramos during the launching of the fund drive of the ASEAN scout jamboree. The president said the agreement ends the current phase of the talks on a positive note. The peace talks are scheduled to resume on 10 January next year. President Ramos thanked the Indonesian Government for hosting the talks.

Davao Officials Object To Expanded ARMM

BK0511061793 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 5 Nov 93

[Text] Davao officials have objected to the proposal to expand the coverage of the Autonomous Region in Muslim Mindanao [ARMM]. The proposal is being promoted by Nur Misuari, Moro National Liberation Front chief.

The officials said that placing the other provinces of Mindanao under the autonomous region will just create dissension in the southern Philippines. Presently, only four provinces are covered by the ARMM, namely, Lanao del Sur, Tawi-tawi, Maguindanao, and Sulu.

MILF Denies Involvement in 'Recent Atrocities'

BK0511111393 Manila MANILA BULLETIN in English 31 Oct 93 p 8

[By Ali G. Macabalang]

[Text] Cotabato City—The Moro Islamic Liberation Front (MILF) denied yesterday any "organizational" involvement in the recent atrocities in Sultan Kudarat and North Cotabato that have left 25 persons killed, 33 wounded, and hundreds of others displaced since last 7 October.

Military reports had earlier held the MILF responsible for the spate of massacres, harassment, and cattle rustling in the two provinces' remote towns in an alleged bid to catch attention amid the ongoing peace talks between its rival Moro National Liberation Front and the Philippine Government in Jakarta, Indonesia.

"We do not need to attract attention because the government knows the MILF's strength," said Al Haj Murad, MILF vice chairman for military affairs. Murad's denial came after the 27 October order of President Ramos for a manhunt on the perpetrators of the recent killings. Maj. Vivencio Bataga, commanding officer of the Army's 35th Infantry Battalion, had earlier told reporters the MILF was "creating trouble due to its noninclusion in the peace process."

President Ramos Orders Military Reorganization

BK0411122093 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 0930 GMT 4 Nov 93

[Text] President Fidel Ramos earlier stressed the need for the modernization of the Armed Forces of the Philippines [AFP]. But, aside from protecting Philippine territory, the military also has to help in nation building, especially in protecting the environment.

The president ordered the AFP to implement a reorganization of its ranks, saying the emphasis should be on quality, not quantity. He added that the military's training program will also be strengthened.

Orders Removal of CAFGU Members

BK0511080993 Manila PHILIPPINE DAILY INQUIRER in English 31 Oct 93 p 16

[By Jerry Esplanada]

[Text] Malacanang [presidential office] has given the Armed Forces of the Philippines [AFP] the go-signal to remove some 11,000 members of the 75,000-strong Citizen's Armed Forces Geographical Unit (CAFGU) in the next two years.

The Palace also authorized the AFP to allocate P121.36 million [Philippine pesos]—P54.88 million this year and P66.48 million in 1994—for the CAFGU members' separation benefits.

President Ramos had directed the AFP and the Department of Interior and Local Government [DILG] to jointly "evaluate and assess the tactical necessity" of paramilitary men "who are no longer needed in the anti-insurgency operations" of the government.

Complaints of abuses have been reported against the CAFGU. One of them was the complaint of harassment against a CAFGU member in Agusan made by Dr. Hendry Plaza, the first volunteer to the government's Doctor-to-the-Barrios program.

The President also called for the dismantling of CAFGU-backed private armed groups nationwide, including those being maintained by politicians.

He has given the DILG and the DND [Department of National Defense] until 30 November to "ensure the successful completion of the campaign."

Mr. Ramos said the existence of the private armies is an obstacle to the attainment of Philippines 2000, an ambitious government blueprint to attain a newly industrialized status for the country by the turn of the century.

AFP Chief of Staff Gen. Lisandro Abadia has recommended a separation pay of P10,950 per CAFGU member.

The amount is equivalent to the 12-month subsistence allowance of CAFGU members.

According to Palace officials, the separation pay will be given "in recognition of services rendered to the AFP and the country in general, provided that the services rendered have been honorable and that the separated auxiliary has no pending administrative or criminal case at the time of his separation from the service."

Abadia's proposals were earlier endorsed by Defense Secretary Renato de Villa, Executive Secretary Teofisto Guingona Jr., and Chief Presidential Legal Counsel Antonio Carpio.

The proposals amended Section 15 of the implementing rules and regulations of Executive Order No. 264, which created the CAFGU.

In a report to Mr. Ramos, Abadia said the layoff of 5,012 CAFGU members this year will cost the government P54,881,400. The funds will come from "CAFGU savings," in this year's national budget.

Next year, the removal of 6,072 CAFGU members will require a budget of P66,488,400, which was included in the proposed national budget for next year.

Earlier, Malacanang ordered the arrest and prosecution of a CAFGU member who was tagged as the prime suspect in the rape-slay of an eight-year-old girl and the stabbing of her younger sister in Barangay [village] Estado, Victorias, Negros Occidental.

Presidential Adviser Comments on NDF Talks

BK0311074493 Quezon City Radio Filipinas in English 0230 GMT 3 Nov 93

[Text] Presidential peace adviser Oscar Santos says the government recognizes the National Democratic Front's [NDF] initiative in dealing with the Vietnamese Government in the preparations for the second round of exploratory talks. Santos says that while the government has taken steps at peaceful settlement of the armed conflict, it also continues to push for reforms. Santos cited the recent

decision of President Ramos to cut a big number of personnel in the CAFGU's [Citizens Armed Forces Geographical Units]. [Words indistinct] the government agreed to hold the second round of exploratory talks between the government and the National Democratic Front in Ho Chi Minh City. The government panel headed by Ambassador Howard Dee has proposed that the talks be on 15 November.

NDF Urges Release of Political Prisoners

BK051111193 Manila PHILIPPINE DAILY INQUIRER in English 31 Oct 93 p 12

[Text] The National Democratic Front (NDF) yesterday urged the Ramos administration anew to release the some 350 political prisoners still languishing in jail.

At the same time, the NDF urged the government anew to withdraw executive order [EO] number 125 which imposes the government's precondition on the "rule of law and Constitutional processes as framework for peace talks."

In a one-page statement faxed to the INQUIRER, NDF vice chairman for international affairs Luis Jalandoni said the order "remains as a fundamental obstruction to the peace process."

Unlike the peace talks between the government and the Muslim secessionist rebels, the talks with the communist insurgents face rough sailing.

President Ramos is luring the Marxist rebels to come to the negotiating table to end the country's more than two decades old insurgency problem.

"The NDF has to remain firm in its objection to Mr. Ramos' EO 125, also because of its bitter experience with Mr. Ramos in the 1986-87 peace talks," explained Jalandoni.

Jalandoni noted that in a four-page letter to then President Aquino, in 1987, NDF negotiators Satur Ocampo and Antonio Zumel, accused the AFP [Armed Forces of the Philippines], "specifically its chief of staff Gen. Fidel Ramos, of bad faith and fundamental breach of agreement in relation to the implementation of the Memorandum of Agreement on a Preliminary Cease-fire."

He said the NDF panel then accused Mr. Ramos of issuing a "Draft Primer on the Cease-fire for New Armed Forces and the Integrated National Police which violated the agreement signed by the government and NDF panels."

"This act of bad faith and sabotage of the peace process resulted, among others, in the killing of two NDF security escorts in Cebu and the disarming and arrest of NPA [New People's Army] members," said Jalandoni.

The forthcoming talks between the government and the panel are scheduled to take place in Vietnam. The NDF proposed that an NDF delegation visit Vietnam in advance "to hold direct discussions with the Vietnamese authorities."

The government has yet to respond to the proposal.

The NDF meantime condemned the granting of the "Man of Peace" award by the World Jurist Association to Mr. Ramos.

Ramos Launches Rural Development Program

BK0211083193 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 2 Nov 93

[Text] It is hoped that full economic development in rural areas nationwide will be achieved with the launching of a three-year project called the Integrated Capability Building Program or ICBP. The program was launched by President Fidel Ramos under Proclamation No. 284.

Ramos said that through the program local government officials can effectively implement economic projects in their respective localities.

Government Reduces Tariff Rates on 1,000 Items

BK0511103393 Manila THE MANILA CHRONICLE in English 1 Nov 93 p 9

[By Lorelie de Belen]

[Text] The government said last week it will lower, if not eliminate, tariff rates on at least 1,000 raw material inputs of manufactured goods under the common effective preferential tariff (CEPT) program. However, this is on condition that the tariff reduction for raw materials will be given a most favored nation (MFN) status.

This means that the raw material coming from any country, not just from the Association of Southeast Asian Nations (ASEAN) free trade area (AFTA) agreement, will enjoy the privilege.

Trade and Industry Secretary Rizalino Navarro said in an interview that the government would also seek reduced duties on capital equipment. However, this needs legislative approval.

President Ramos is expected to issue an Executive Order (EO) to implement the tariff reduction on raw materials, Navarro said.

Under existing laws, the president is authorized to lower tariff rates of raw materials if the country is part of an ongoing trade negotiation. The trade and industry department and the National Economic and Development Authority (NEDA)-tariff related matters (TRM) have been working on reducing tariff on raw materials. The aim is to eliminate distortions that could arise from the CEPT. The CEPT is the implementing vehicle of the AFTA. It seeks to boost trade among the six member-countries of the ASEAN.

This will be done by lowering tariffs on manufactured goods and processed agricultural products to 0 percent to 5 percent in the next 15 years. The private sector earlier said that distortions were expected to evolve once the CEPT is implemented. Under the CEPT, duties on raw

materials inputs would become more expensive than duties on actual manufactured goods. At present, certain types of raw materials are now slapped with what are perceived to be especially high tariff rates. This, industry members said, makes it difficult for various sectors to compete under a free trade environment.

For example, Navarro said, textiles and garments manufacturers sometimes have to pay duties of more than 30 percent. Textiles and garments are two products listed for accelerated tariff reduction under the CEPT. Others are pulp and paper, chemicals, cement, leather goods, vegetable oil, pharmaceutical, fertilizer, plastics, rubber products, ceramic and glass products. The rest are gems and jewelry, copper cathode, electronics, and wooden and rattan furniture.

The CEPT accelerated program will reduce tariffs to a maximum of 5 percent within the next eight years. The scheme starts this January 1994.

On capital equipment, Navarro said the trade and industry would initiate a bill seeking to reduce duties to a maximum of 10 percent.

"The reduction of duties on capital equipment is considered as a bold stroke," Navarro said, "but the president wants to make sure that the domestic investment environment is favorable."

The government would push for the immediate implementation of the two measures. They hope to make in time for the actual start of the CEPT program next year, he added. [sentence as published]

Other AFTA-CEPT signatories, aside from the Philippines, are Singapore, Indonesia, Thailand, Malaysia and Brunei.

Balance of Payments Surplus at \$343 Million

*BK0511093193 Quezon City MALAYA in English
1 Nov 93 p 9*

[By Cris Larano]

[Text] The country's balance of payments surplus for the first seven months of the year jumped up to \$343 million, eight times higher than last year's total of \$41 million.

High inflow of foreign loans and remittances were responsible for the big increase in the surplus despite the big trade gap. Records from the Bangko Sentral ng Pilipinas [Central Bank of the Philippines] showed that from January to July export receipts during the period in review amounted to \$6.121 billion, a 12.5 percent increase from the year-ago total of \$5.441 billion.

Electronics was the top export item, contributing \$462 million or 7.55 percent to the total export receipts. Other top export earners for the country are machinery and transport equipment, garments, bananas, copper metal, processed food and beverages, baby carriages, toys, games and sporting goods and miscellaneous manufactures.

As export grew so did imports, specially with most products in the country's export winners list mostly dependent on imported raw materials.

For the period in review, imports jumped 21.8 percent, nearly double last year's growth of only 13 percent, to P9.591 million [Philippine pesos] from \$7.873 billion. The higher import figure was buttressed by increased purchase of capital goods, particularly power generating sets to cope with the acute power shortage.

Earnings in the service sector outpaced payments, particularly due to more withdrawals of foreign currency deposits in local currency, income from tourists, overseas workers remittances and other services compared to outlays for freight and merchandise insurance and other services.

Records showed that non-merchandise trade has grown 27.17 percent during the period in review to \$1.732 billion from \$1.362 billion. Earnings grew by 15.63 percent to \$4.773 billion from \$3.128 billion, while payments moved up by 9.94 percent to \$3.041 billion from \$2.766 billion.

The removal of the US bases and continued absence of a successor economic program from the International Monetary Fund since April has resulted in cutbacks in grants and aids from all sources except personal remittances. As of July net inward transfers stood at \$423 million, 15.6 percent off last year's \$501 million. Aid from the US, particularly from the Veterans Administration and bilateral agreements, shrunk to 1.45 percent and 39.02 percent, respectively.

Current account deficit widened to \$1.315 billion, up 131.11 percent from last year's \$569 million. But the 1,535.44 percent growth in the net nonmonetary capital account to \$1.134 billion from last year's minus \$79 million wiped out the current account deficit.

This development was accounted for largely by inflows of new money, particularly from bond issuances of the National Government in February and by the Development Bank of the Philippines in July as well as new money from bilateral sources, including substantial cutbacks in loan repayments.

The acute power shortage from January to July and the rash of kidnappings has resulted in reduced net inflows in foreign investments, declining 36.76 percent to \$320 million from \$506 million. And most of the investments were accounted for by capital for build-operate-transfer projects of National Power Corp.

Net investment inflow rose 109.10 percent to \$1.539 billion from \$736 million, while outflow surged 430 percent to \$1.219 billion from \$230 million.

The dramatic increase in outflow resulted from large repatriation of foreign capital and portfolio investments allowed under a regime of deregulated foreign exchange transaction.

Aside from this, the expiration of last 30 June of the Revolving Trade Facility [RTF] resulted in net repayment of \$79 million. The RTF allowed foreign commercial banks from granting trade credits to local borrowers to the level of this commitments. Its termination reverted the country's foreign trade transactions to normal operations with foreign correspondent banks.

Navy Commissions Four New Patrol Boats

BK0411063093 Quezon City PTV-4 Television Network in Tagalog 0500 GMT 4 Nov 93

[Text] Four new patrol boats have been inaugurated by the Philippine Navy. The patrol boats, called patrol killers, were purchased from South Korea last year.

During the inauguration ceremony at the Philippine Navy [as heard], Navy chief Vice Admiral Virgilio Marcelo said the boats will enhance the Navy's ability to safeguard Philippine waters.

The commissioning of the patrol boats, held at Manila Bay, was overseen by Commodore Dario Fajardo, head of the Philippine fleet.

Thailand

Minister Discounts Possibility of Coup

BK0511005593 Bangkok BANGKOK POST in English 5 Nov 93 p 7

[Text] Interior Minister Chawalit Yongchaiyut yesterday expressed his full confidence that there would be no coup d'etat for the time being because the political situation in the country was quite stable.

At the ministry yesterday he told some 170 Muslim leaders, kamnans, village headmen and provincial councillors from Narathiwat Province that there would definitely be no military takeover because of the country's political stability.

Gen [General] Chawalit, who met the southern delegation led by Deputy Interior Minister Den Tomina at the ministry yesterday morning, also said he was still monitoring the situation in the South because he would not let it take its own course. He promised to continue projects initiated by His Majesty the King and to ensure the completion of the projects as soon as possible.

The Interior Minister, who is also the leader of the New Aspiration Party, dismissed rumours that the situation in the South was instigated by a group of people who wanted to create disorder in the country. He urged all concerned government agencies to create peace in the southern region.

In the discussion with the local and Islamic leaders from Narathiwat Province, Gen Chawalit said that whatever changes he made to the civil service were for the sake of the people because he wanted to see the civil servants become more friendly to the public.

Gen Chawalit said that politics in Thailand would improve in the future. However, the country would be destroyed if the democratic principles were ruined, he said.

The first ruling of the Tambon Council Act was a good sign for the public to take part in the local administration, he said.

The situation in the South was gradually improving and more time was needed to bring everything back to normal, Gen Chawalit said.

The Interior Minister also congratulated acting police chief Pol Gen [Police General] Prathin Santipraphop for dispersing the mobs of northeastern farmers who rallied at Nakhon Ratchasima yesterday.

Gen Chawalit said he was ready to be investigated by the Office of the Commission of Counter Corruption on charges of not exercising his full authority in probing the Saudi Arabia jewellery case. He said he handed over the jewellery probe to the investigation committee to unearth the truth. However the committee needed time to process the investigation through many steps.

Mr Den Tomina confirmed that even though politics was uncertain, he was sure the Government would obtain the majority backing of the House in the no-confidence debate next week.

NSC Chief on Libya, Hmong Rebels, Cambodia

BK0511004593 Bangkok BANGKOK POST in English 5 Nov 93 p 8

[Text] Reports that Libya has fired 5,500 Thai workers in retaliation for action against job placement agencies illegally taking Thai workers there could not be confirmed yesterday, according to National Security Council [NSC] secretary-general Charan Kunlawanit.

Gen [General] Charan said after a meeting of the NSC chaired by the Prime Minister that the Thai ambassador in Athens had contacted the Libyan ambassador there but he knew nothing about reports of the workers being fired.

Thailand took action against the employment agencies after the United States complained that Thais were helping build nuclear and chemical weapons storage facilities.

Libya accused Thailand of having its policy dictated to by the United States, but the authorities said they had not known Thai workers were helping build these facilities and, as a signatory to the UN convention on chemical weapons, the country could not allow its nationals to help build such facilities.

Gen Charan said Thailand operated on the principle of not becoming involved in the creation of chemical or biological weapons and would not support Thais becoming involved in any way in such work.

The Government will protect Thai workers' rights to do ordinary jobs and there was no clear evidence yet to

indicate whether the three companies, which he identified as SPC, W&M and Handale Group, were providing Thai workers for the weapons stores.

"The companies said the Thai workers were only building 'tunnels' and had nothing to do with any chemical weapons factory. US information given to Thailand also needs supporting evidence," he said.

Gen Charan said the Interior Ministry had sent its official Yuwarat Kamonwet to inspect the conditions of Thai workers in Libya and he had found no evidence that they were involved in such work.

The Labour Ministry, which first released the report of Thai workers being laid off, said yesterday it would send senior officials soon to look into the matter.

Gen Charan objected to the suggestion that China and Russia be asked to look after Thai workers.

"We disagree with bringing other countries into this. It's not yet time for that and we did not discuss this suggestion at the meeting."

On another subject, Gen Charan said Hmong hilltribe people being treated for drug addiction at Wat Tam Krabok in Saraburi were involved in a Laotian rebel group operating from Thailand. He said the Hmongs should not use the temple for these purposes and the authorities had arrested those connected with the movement since Thailand will not support terrorism in another country.

The NSC chief also said Thailand recognised the new Cambodian government and was not concerned about how many factions were involved. He said Prime Minister Chuan Likphai told the meeting it was up to the Cambodian government to decide the status of the Khmer Rouge and Thailand would accept this decision.

Deputy Minister Comments on Workers in Libya

BK0411143093 Bangkok Army Television Channel 5 in Thai 1200 GMT 4 Nov 93

[Text] The Foreign Ministry believes that there is no need to ask China and Russia to persuade Libya to cancel its plan to send Thai workers back to Thailand.

Asked about the statement made by Soemsak Karun, deputy minister of labor and social welfare, that the two member countries of the Nonaligned Movement would be asked to approach Libya to improve relations between Thailand and Libya, Foreign Minister Surin Phitsuwan said:

[Begin recording] [Surin] I do not know if anyone is thinking of such an approach. The Foreign Ministry is not.

[Unidentified reporter] Do you think that the Thai Government will be able to persuade the Libyan Government to...

[Surin, interrupting] I think we still have time for consultations on this matter. Our embassies have been instructed to contact Libyan diplomats. We still have time. [end recording]

Meanwhile, Soemsak Karun told reporters that despite the revocation of the permit of the job placement company which sent Thai workers to Libya, the presence of Thai workers in that country is legal. After the company is closed, the workers can choose to remain in Libya and will not face a charge of illegally leaving the country.

It was reported that this labor problem was also discussed at the meeting of the National Security Council at Government House. The meeting lasted nearly two hours and was attended by Prime Minister Chuan Likphai, commanders of the three armed forces, and representatives of the agencies concerned. In this connection, Thailand has declared its stand that it will not get involved with or support Thai nationals who are working at Libya's nuclear weapon plant. However, the government has pledged to give full protection to Thai workers who are legally employed in that country and will contact the Libyan Embassy to inquire about the real situation.

Vietnam

NHAN DAN Editor, Delegation Visit PRC

BK0411151393 Hanoi VNA in English 1410 GMT 4 Nov 93

[Text] Hanoi VNA Nov.4—A delegation of the NHAN DAN newspaper led by its Editor-in-Chief Huu Tho has paid a visit to China.

While there it was received by a delegation of its host, RENMIN RIBAO (PEOPLE'S DAILY).

During the reception, they exchanged experience in their work and discussed ways to promote the relations between the two dailies. Mr HUU THO and his party also met with the editor boards of 'NAM FANG' daily and 'SUZHOU' daily.

The Vietnamese delegation was also received by Ding Guangen, Politburo member and secretary of the Chinese Communist Party Central Committee.

A delegation of Chinese writers led by Zheng Bonong, editor-in-chief of the paper 'WENYI BAO', paid a visit to Vietnam from October 18-30.

During its stay in Vietnam, it was received by the executive committee of the Vietnam Writers' Association. The two sides informed each other of their associations' activities and the current situation of literature, press and publication in China as well as in Vietnam.

The Chinese delegation had working sessions with the VAN NGHE (ART AND LITERATURE) weekly, the literature publishing house, the VAN NGHE review, the Writers' Association in Ho Chi Minh City and the

'SAIGON GIAI PHONG' newspaper. The guests also met with a number of writers poets and critics in Hanoi and Ho Chi Minh City.

Lao National Assembly Delegation To Visit

*BK0311150593 Hanoi VNA in English 1430 GMT
3 Nov 93*

[Text] Hanoi VNA Nov. 3—A high-level delegation of the Supreme People's Assembly of Laos led by President Saman Vi-gnaket, Politburo member of the Lao People's Revolutionary Party Central Committee will pay an official friendship visit to Vietnam soon as guest of National Assembly Chairman Nong Duc Manh, said a communique released here today by the National Assembly's office.

Sports Cooperation Protocol Signed With Cuba

*BK0411152193 Hanoi VNA in English 1433 GMT
4 Nov 93*

[Text] Hanoi VNA Nov.4—A protocol on sports cooperation between Vietnam and Cuba was signed in Havana on Nov. 2 during a Cuba visit by a delegation of the Vietnamese General Department of Sports and Physical Training (GDSPT).

Under the protocol, in 1994 Cuba will invite a Vietnamese sports shooting team to Cuba and in return, three delegations of Cuban athletes will come to Vietnam to attend the third international marathon race, a cycling race on the occasion of the Dien Bien Phu victory anniversary and the 'Golden Racket' table- tennis tournament in Ho Chi Minh City.

Cuba will send its coaches to Vietnam with respect to sports medicine, track-and-field and volleyball and will exchange information and documents in the field with Vietnam.

Signatories to the protocol, the first of this kind between the two countries, were, on the Vietnamese side, Le Buu, GDSPT general director and the Cuban side, Conrado Martinez, chairman of the National Institute of Sports, Physical Training and Recreation (INDER).

The same day, the Vietnamese delegation was received by Jose Ramo Fernandez, vice-chairman of the Cuban Council of Ministers.

During the ten-day visit to Cuba from Oct.28, the Vietnamese delegation also visited a number of sports institutions in Havana.

Deputy Premier Previews Paris Donors Conference

*BK0511064393 Hanoi VNA in English 0609 GMT
5 Nov 93*

[Text] Hanoi VNA Nov. 5—"The donors' conference on Vietnam expected in Paris from Nov. 9-11 will mark a new step of development in the relations of cooperation between Vietnam and the international community,"

said Deputy Prime Minister Phan Van Khai in an interview to VIETNAM NEWS AGENCY.

On the conference, Deputy Prime Minister Khai, who will lead a Vietnamese delegation to the conference, said that the conference would be convened under the initiative of the United Nations Development Programme (UNDP) and the World Bank (WB) and actively supported by the French Government. Participants in the conference include many UN agencies, IMF, WB, ADB [Asian Development Bank] and other international financial and economic organizations some of which have given their financial assistance to Vietnam for years.

Asked about the purposes of the conference and the plan of the Vietnamese Government, Mr. Khai said that the conference aims to help the donors study Vietnam's socio-economic development situation and prospects for the coming years so that they could work out a programme of cooperation with Vietnam. On the other hand, he said, the conference will be a forum for countries and international institutions to reaffirm their participation in the financial support programme for Vietnam's socio-economic development.

The Vietnamese Government, he continued, will introduce Vietnam's current socio-economic situation, plan drafts for the coming years and economic policies to mobilize all potentials in the country as well as its demands for capital and technologies from abroad so as to implement its economic development objectives in 1994-95 and to the year 2000.

Government To Increase Aid to UN Agencies

*BK0511062193 Hanoi VNA in English 0618 GMT 5
Nov 93*

[Text] Hanoi VNA Nov. 5—"Vietnam's contributions to UN agencies in [word indistinct] will increase by [word indistinct] percent over 1993", said Vietnamese Ambassador to the United Nations Ngo Quang Xuan at the annual conference on UN development activities held in New York on Nov. 2.

Ambassador Xuan said that in 1994 the Vietnamese Government would contribute 23,933 US dollars to UNDP [UN Development Program], 11,367 US dollars to UNICEF and 3,149 US dollars to UNFPA [UN Fund for Population Activities].

Mr. Xuan expressed Vietnam's high appreciation of UN agencies' contributions to socio-economic development in developing countries in general and in Vietnam in particular.

Monks Reportedly Violated Civil Law in Hue

*BK0511101693 Hong Kong AFP in English 0947 GMT
5 Nov 93*

[Text] Hanoi, Nov 5 (AFP)—Vietnam is putting dissident monks on trial in Hue not because they are Buddhists, but because they are accused of violating civil law, a Foreign Ministry spokesman said Friday.

The spokesman said the trial of the monks had not yet begun, though informed sources said the court in Hue had been examining the case since Monday behind closed doors. "According to standard procedure, when the file is completed in line with judicial procedures in Vietnam, the court will issue a communique on the trial," he said.

"One should note at this time that it is not a trial of Buddhists" but rather a trial of citizens charged with provoking civil unrest, he added.

Vietnamese officials gave no other details concerning the Hue trial, but Buddhist exile sources said four senior monks were still in jail in connection with a violent demonstration May 24 in the central Vietnamese city. They include Thich Tri Tuu, abbot of Hue's Linh Mu pagoda, a stronghold of resistance to Hanoi's efforts to integrate the Unified Buddhist Church of Vietnam (UBCV) into the state-run Vietnam Buddhist Church.

Buddhist exiles charged that the court session that began Monday was in effect a "secret trial," and added that they expected it to be immediately followed by the public trial.

Vo Van Kiet Sends Greetings to TIEN PHONG

BK0511111593 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 4 Nov 93

[Text] On the occasion of the 40th founding anniversary of the journal TIEN PHONG [VANGUARD], Prime Minister Vo Van Kiet recently sent a letter to praise and encourage its cadres and reporters.

The prime minister praised those achievements scored by the journal in fighting negativism and corruption; and in supporting party and state policies, particularly in implementing those projects on covering bare hills with greenery, of resolving unemployment, and of eradicating social vices.

Prime Minister Vo Van Kiet expressed the hope that the journal TIEN PHONG would try harder to contribute to organizing creative and effective activities for youths nationwide.

Vo Van Kiet at Ceremony for Hydroelectric Plant

BK0511060993 Hanoi VNA in English 0603 GMT 5 Nov 93

[Text] Hanoi VNA Nov. 5—A ground-breaking ceremony for the construction of a major-hydro-electric power plant was officially held in Yaly, 40 km from Pleiku provincial capital of Kontum in central Vietnam, on Nov. 4.

Attending the ceremony were Prime Minister Vo Van Kiet, Deputy Prime Minister Tran Duc Luong, Vice-Chairman of the National Assembly Ngong Niek Dam,

Minister of Energy Thai Phung Ne, Minister of Construction Ngo Xuan Loc, and representatives of ministries and branches concerned.

Also present were Russian specialists who had taken part in surveying, designing and supplying equipment to the construction project.

The Yaly Hydro Electric Plant will have a 71-metre high dam, a 65.5 sq. [square] km water reservoir, and four generator units with a combined capacity of 720 MW [megawatts].

The Yaly plant will be the second largest hydro-electric power plant of Vietnam after the one in Hoa Binh Province in the north. Together with the Hoa Binh Hydro-Electric Power Plant and the 500 kv [kilovolt] Trans-Vietnam Transmission Line, the construction of the Yaly plant is one important measures to settle the lack of electricity in the central highlands and south Vietnam.

It is expected that the first generator unit of the plant will be operational by September 1998 and the whole plant will be completed in 1999, then 3.6 billion more kwh [kilowatt-hours] will be provided annually.

Trade Unions To Hold Seventh National Congress

BK0311074193 Hanoi VNA in English 0628 GMT 3 Nov 93

[Text] Hanoi VNA November 3—The Seventh National Congress of the Vietnamese trade unions will be held in Hanoi from November 10-12, announced the President of the Vietnam General Confederation of Labour (VGCL), Mr Nguyen Van Tu, at a press conference here yesterday.

The president also made known that the congress will be attended by 610 official delegates and 200 guests. He said that the VGCL executive committee had sent a message to friendly international and national trade unions organizations in the world to inform them about the holding of the congress and to express regret that conditions are not available to invite representatives of both international and national trade unions organizations to attend the congress.

The Seventh National Congress will review trade unions activities from the Sixth National Congress up to now, sum up work done by the trade unions in the market-oriented economy, determine objectives, orientations and tasks of the trade unions in the 1993-98 period amend the VGCL statute and elect a new leadership.

According to Mr. Tu, the congress will centre its discussions on trade unions' key junction of representing workers and employees and caring for the protecting their legitimate interests. [sentence as received]

Trade union's participation in the development of social activities, the relationship between the trade unions and the state and business managers, and the training of qualified trade unions officials will also be discussed at the congress.

Australia

Foreign Minister Meets With PNG Minister

*BK0511062793 Melbourne Radio Australia in English
0500 GMT 5 Nov 93*

[Text] The foreign ministers of Papua New Guinea [PNG] and Australia have had what is described as frank discussions. Senator Gareth Evans and Mr. John Kaputin met in Canberra for talks, which one official said had cleared the air.

Graeme Dobell reports the meeting follows a speech yesterday by Mr. Kaputin in which he attacked Australia for being offensive and ignorant in dealing with PNG. The hour-long meeting in Sen. Evans' office was followed by an official lunch. Australian sources said the two foreign ministers covered issues which will be discussed in detail at annual talks between the two countries next month. They said Mr. Kaputin had not raised PNG's threat to seek compensation from Australia for damage caused by mining operations before independence.

September Trade Deficit Falls 12 Percent

*BK0111063493 Melbourne Radio Australia in English
0500 GMT 1 Nov 93*

[Text] Australia's trade performance strengthened last month according to the latest balance of payment figures. Linda Mottram reports the Bureau of Statistics recorded a 12-percent fall in the current account deficit in September.

[Begin Mottram recording] The monthly trade deficit remains over Australian \$1 billion coming in at 1.139 billion last month. But the shortfall is \$158 million lower than the previous month, when exports declined and imports still rose, and the bureau says the trend estimate of the deficit is now at its lowest for the year. The turnaround occurred because of a 9-percent increase in

exports while imports increased by only 4 percent. Wool, meat, and gold were the best export performers for the month through increased volumes rather than better prices. The import side of the balance sheet was influenced mainly by the purchase from overseas of a \$149-million ship. Overall, the outcome is in line with market expectations. [end recording]

Papua New Guinea

Russian Delegation Arrives for Launch Site Study

*LD0411084293 Melbourne Radio Australia in English
1900 GMT 3 Nov 93*

[Text] A high-level Russian delegation has arrived in Papua New Guinea to begin feasibility studies into building a rocket-launching site. The 12-man delegation will visit Manus and New Ireland provinces to assess potential sites which, in collaboration with an Australian company, could result in commercial rockets being launched into space from Papua New Guinea in 1998. The Papua New Guinea Government has already given approval for the project, which would cost an estimated \$600 million.

Bougainville 'Special Operations' Canceled

*BK0411062093 Melbourne Radio Australia in English
0500 GMT 4 Nov 93*

[Text] Papua New Guinea's [PNG] security forces on the secessionist island of Bougainville have been forced to call off all special operations because of a lack of money. A senior government spokesman says this is because the government had not released \$11 million promised to the Defense Force in September. The money is to pay off debts for goods and services provided to the Bougainville operation. The spokesman said the situation was lowering the morale of the PNG troops and he warned they may be forced to withdraw from their front line if the government did not act quickly.

